

BEFORE THE STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

In the matter of:)
 Application No. 2004-01)
)
 WIND RIDGE POWER PARTNERS, LLC,) Public Comment Hearing
)
 WILD HORSE WIND POWER PROJECT) Pages 292 - 355
 _____)
)

A Public Comment Hearing in the above matter was held in the presence of a court reporter on March 8, 2005, at 7:02 p.m., at the Kittitas County Fairgrounds in the Home Arts Building at 512 North Poplar Street, Ellensburg, Washington, in Olympia, Washington, before Energy Facility Site Evaluation Councilmembers.

* * * * *

JUDGE TOREM: Good evening. We will be on the record. This is a public hearing before the Washington State Energy Facility Site Evaluation Council also known as EFSEC. The purpose of this hearing is to receive public testimony, both oral and written, regarding the proposal to construct and operate the Wild Horse Wind Power Project in Whatcom County, Washington. Whatcom is what it says, and I know this is Kittitas County. I can read, but I am not thinking. Today is Tuesday, March 8, 2005. This hearing is being held in the Home Arts Building at the Kittitas County Fairgrounds at 512 North Poplar Street, Ellensburg, Washington, and we started the hearing tonight at 7:02 p.m.

My name is Adam Torem. I'm an Administrative

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1 Law Judge from the Washington State Office of
 2 Administrative Hearings, and I've been appointed by the
 3 Council to facilitate proceedings in this matter, and as
 4 you've seen me before I will preside over the public
 5 comment hearing tonight.

6 Members of the Council, if you'll each
 7 individually introduce yourself, we'll start at the far
 8 end of the table with Councilmember Sweeney.

9 MR. SWEENEY: Good evening. My name is Tim
 10 Sweeney. I'm with the Washington Utilities and
 11 Transportation Commission.

12 MS. TOWNE: I'm Chris Towne representing the
 13 Department of Fish and Wildlife.

14 MR. FRYHLING: I am Richard Fryhling. I am
 15 with the Department of Community Trade and Economic
 16 Development.

17 CHAIR LUCE: My name is Jim Luce. I'm Chair
 18 of the Washington State Energy Siting Council.

19 MS. ADELSMAN: I'm Hedia Adelsman. I
 20 represent the Department of Ecology.

21 MS. JOHNSON: I'm Patti Johnson, and I
 22 represent the County.

23 JUDGE TOREM: Seated to the far end is EFSEC
 24 staff, Allen Fiksdal, he's their manager, and Irina
 25 Makarow, manning the table or wondering around somewhere,

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1 but she will take your comments. Oh, there she is. And
 2 seated immediately to my right is Assistant Attorney
 3 General Ann Essko.

4 I want to recognize also seated in back of
 5 the room John Lane, if he'll stand. He is Counsel for the
 6 Environment.

7 Quickly I know many of you are familiar with
 8 the project, but I do want to give you a brief history of
 9 why the Council is here tonight to receive public comments
 10 on this proposed Wild Horse Wind Power Project. By my
 11 calendar tomorrow marks exactly one year since on March 9,
 12 2004 the Applicant, Wind Ridge Power Partners, LLC.,
 13 submitted it's application to EFSEC to construct and
 14 operate the Wild Horse Wind Power Project.

15 This is a wind power generation facility.
 16 It's proposed to be located here in Kittitas County along
 17 the ridge tops of Whiskey Dick Mountain, which is two
 18 miles north of Vantage Highway and approximately 11 miles
 19 east of the City of Kittitas. The project would consist
 20 of up to 158 turbines with a nameplate capacity of up to
 21 312 megawatts.

22 Since the submittal of the Application, the
 23 Council has proceeded to review the proposal in the
 24 following fashion:

25 First, EFSEC's State Environmental Policy

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1 Act or SEPA official determining that an Environmental
 2 Impact Statement or EIS would be prepared. EFSEC
 3 initiated the public involvement process by being here and
 4 holding a public information and scoping meeting in April
 5 of 2004, and a Draft Environmental Impact Statement was
 6 prepared and circulated for comments later in the summer
 7 in August of 2004. We also held a public comment meeting
 8 here in Ellensburg at that time.

9 A final EIS will be prepared after the
 10 conclusion of the adjudicative hearings being held this
 11 week here in town and be considered by the Council prior
 12 to making its recommendation to the Governor of the State
 13 of Washington.

14 Now in April and June of 2004, the Council
 15 also conducted a land use set of hearings and determined
 16 in June 2004 that the project was not at that time
 17 consistent with local land use plans and zoning
 18 ordinances. Since June of 2004, we received a number of
 19 updates, and I'm sure many of you have paid attention to
 20 the proceedings here in Ellensburg and watched the
 21 Applicant and the County work together to resolve land use
 22 inconsistencies.

23 Yesterday the County and the Applicant
 24 presented to the Council a certificate of land use
 25 consistency, and it consisted of a number of ordinances

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1 adopted by the Board of County Commissioners last week and
 2 a Development Agreement in support of the conditions that
 3 the Applicant and the County negotiated.

4 Back in August of 2004, we issued a notice
 5 of adjudicative hearings for this proposal, and we took a
 6 request for petitions for intervention from state
 7 agencies, tribes, other organizations, and from public
 8 citizens. The parties to this proceeding included the
 9 Applicant and the Counsel for the Environment, who again I
 10 pointed out was John Lane from the Attorney General's
 11 Office. We then after reviewing the petitions for
 12 intervention granted intervention and party status to the
 13 Washington Department of Community Trade and Economic
 14 Development, to Kittitas County, to the Economic
 15 Development Group of Kittitas County, and to Friends of
 16 Wildlife and Wind Power and to Mr. F. Steven Lathrop.

17 Since petitions for Friends of Wildlife and
 18 Wind Power and Mr. Lathrop were granted their issues were
 19 apparently resolved or seem to have no further need to
 20 participate because late last week both of those parties
 21 withdrew their participation in the adjudicative hearings
 22 that have started this week.

23 The purpose for tonight's hearing is for the
 24 Council to receive your comments regarding the Wild Horse
 25 Wind Power Project. The Council is going to accept

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1 written comments tonight if you like. There's sort of a
2 dark green color or mint green color comment sheet that
3 Ms. Makarow has available at the table by the entrance.
4 You can fill those out if you don't feel comfortable
5 speaking tonight or if you'd like some more time to
6 consider making a comment. We will accept those through
7 Friday, March 11, 2005, so long as those are postmarked.
8 They can also be emailed, and if you want the email
9 address, check with EFSEC staff. They can provide that to
10 you. So long as the emails are received on March 11, this
11 coming Friday, or the written comments are postmarked, we
12 can accept them and make them part of the record.

13 The formal adjudicative hearings on this
14 application began yesterday, and they continued through
15 this morning when they concluded. So there was only a day
16 and a half of hearings. But in that time there were
17 nearly two dozen witnesses that were presented both by the
18 Applicant and by the Economic Development Group and by
19 Counsel for the Environment. Much of their testimony was
20 submitted in a deposition format in advance and only
21 cross-examination occurred during the hearing yesterday
22 and today. Some of you were in attendance at those times,
23 but those of you that are here tonight who were planning
24 on attending later in the week, the hearings concluded
25 today around noon, so there will not be any further

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1 proceedings this week. This will be the only other
2 session held in Ellensburg.

3 In the adjudicative proceeding the Council
4 has considered all of the evidence submitted into the
5 record by parties and the public. Those include the
6 written testimonies I just described on a variety of
7 topics. They also include the application itself and the
8 Draft Environmental Impact Statement and the comments
9 received on that document. After you make your comments
10 tonight, those will also become part of the record,
11 whether they're given at the microphone or in writing.

12 Now the Council's decision is based solely
13 on evidence that's going to be submitted and presented
14 during the adjudicative and public comment hearings. So
15 as you see these members here tonight, it's not
16 appropriate to ask them questions individually or speak to
17 them as a public witness about the project.

18 The Council then will take all the
19 information they get through the record and make a
20 recommendation to the Governor to either approve or deny
21 that request for site certification. If you have
22 additional questions about the process, certainly people
23 you can talk to directly are John Lane, Counsel for the
24 Environment. You can also talk to any of the EFSEC staff
25 people here tonight. If you need to approach me or

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1 Ms. Essko, you can do that as well. We can direct you to
2 the best person to answer the substance of your questions.

3 As I think many of you are aware, tonight's
4 hearing is being taken by a court reporter. It becomes
5 part of the Council's adjudicative proceeding and is on
6 the record. So I ask everyone to be quiet and respectful
7 when a witness is testifying and make sure that all the
8 Councilmembers and the public can hear the witness. If
9 you need to come and go during the hearing as many of you
10 have been doing, please do so as quietly as you can.

11 I've got one sign-in sheet, and I know there
12 are some people signed up on part of the second one, so I
13 will call the first people on the first one at a time now.
14 I ask when you come up that you give your comments, state
15 your full name and spell your last name for the court
16 reporter, and then please try to speak clearly and
17 enunciate, so that everyone can hear you.

18 If you have any written materials, you can
19 give them to Allen Fiksdal. He will collect those and
20 make sure they're distributed to the Council.

21 I think we're ready to hear the oral
22 comments from those present. Typically I ask you to keep
23 comments to three to five minutes, but it doesn't seem as
24 though we are going to have to strictly limit that
25 tonight. But if you have a particularly lengthy comment,

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1 it would be most helpful, if we could get that in writing
2 or let us know when you stand up and give your comments
3 they're going to take a particularly lengthy period of
4 time, and maybe we can move you to the end, so other
5 people that want to speak quickly and move can do so
6 tonight.

7 It's now about ten minutes after 7:00 or 12
8 minutes after. The first person I have on the list is
9 Roger Clerf.

10 **COMMENTS BY ROGER CLERF**

11 My name is Roger Clerf. Last name is
12 spelled C-l-e-r-f, and I live at 6651 Upper Peuh Point
13 Road, Cle Elum. I'm speaking on behalf of myself.

14 My family has owned a good deal of the land
15 that is included in this project since my father and my
16 uncle bought it in 1930, and I sold the last of it in
17 2003. I spent hundreds of hours out in that general area.
18 I know the land. I know the wildlife. I know the birds.
19 I know the vegetation. I worked with it in grazing
20 management and that sort of thing for quite a number of
21 years.

22 I urge the committee to approve the
23 development of this wind farm project. It has many
24 benefits for our county, our state, and our nation. It
25 will generate much needed tax revenue for the school

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1 district in Kittitas and also for the County. It will
2 generate electricity which is badly needed by our state
3 and our nation and will reduce the use of fossil fuels.
4 We are having a very dry year, a water short
5 year, and hydro power production is going to be down
6 considerably this year. Judging from the way the wind was
7 blowing yesterday, a good wind farm could supplement a lot
8 of the hydro power which we are going to be needing this
9 year. It is a project that is being sited at a very
10 appropriate location, and this satisfies the opponents of
11 the two other wind farm projects in this county. It is
12 the right project at the right time, and I urge your
13 approval. Thank you.
14 JUDGE TOREM: Thank you, Mr. Clerf.
15 Next is Keith Johnson.
16 COMMENTS BY KEITH JOHNSON
17 My name is Keith Johnson, J-o-h-n-s-o-n. I
18 reside at 3050 Airport Road in Cle Elum, and I'm
19 representing the Kittitas Audubon Society as President of
20 the Kittitas Audubon Society making our comment to EFSEC
21 on the proposed Wind Farm Project.
22 Although Kittitas Audubon Society is opposed
23 to wind farms in the Kittitas Valley for the simple fact
24 they will cause even more avian mortalities than the
25 reasons we humans already present them with, it is most

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1 likely the Wild Horse Project will be built. Kittitas
2 Audubon Society makes these suggestions to EFSEC in hopes
3 that this project will be unharmed to birds, bats, and
4 habitat as technology and the controlling agencies can
5 possibly make it.
6 One item is micrositing of turbines to
7 minimize impact to wildlife is crucial. For example,
8 Turbine J-4 as located on the site layout map is extremely
9 close to the Government Springs, and during post
10 construction will most likely be the detriment to birds
11 reestablishing habitat to this spring.
12 Beginning post-construction mortality
13 monitoring should be accomplished by a professional group
14 and be done on a two week or less period. It is
15 beneficial to all to make sure the mortality issue is done
16 on a current basis until the scavenger rate is
17 established. We must understand the mortality impacts as
18 it is illegal to kill federally protected birds and bats
19 or the impact of population and not take measures to
20 manage their mortalities. A post-construction Technical
21 Advisory Committee or TAC must be a permanent committee
22 with every member having a vote in the environmental
23 management of the wind farm.
24 And last, an aggressive weed control program
25 must be implemented to ensure native habitat is restored.

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1 Thank you for taking my comments.
2 JUDGE TOREM: Thank you. Next, we have
3 Janet Nelson.
4 COMMENTS BY JANET NELSON
5 My name is Janet Nelson, and I live at 271
6 Lake Kachess, at Lake Kachess, and I'm here representing
7 Kittitas Audubon also. I have four pages that we mailed
8 to your mailbox over here, and I will just kind of gloss
9 over what's here.
10 Our main concerns with this project and the
11 other projects too are lack of both two-year baseline bird
12 studies and bat studies. These have been done at other
13 projects such as the Stateline project in Walla Walla.
14 Also lack of night studies for birds. This
15 was done at Stateline, and it was done during a period
16 just before they were starting construction and over a
17 period up to construction of that wind farm, and I've
18 included a copy of the results of that. It was in that
19 that they came to the conclusion saying the information on
20 nocturnal bird migration characteristics from the first
21 year of our study allowed a utility company to make
22 decisions on the placement of wind turbines management in
23 development of the Stateline Energy Facility. So these
24 night studies show where the migratory birds are, and
25 that's never been done in this Valley at all, and it would

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1 be very appropriate to have that done.
2 Cumulative impacts. There are more and more
3 of these wind farms going in everyday, and you combine the
4 impacts of thousands. Someplace I read that they're
5 bordering on millions I think wind farms that I read
6 globally, and combining all of those wind farms with these
7 winds farms, as well as the thousands that will be built
8 in the future are a major concern.
9 Audubon Washington published the state of
10 the birds last year which showed a third of our 315
11 species of common birds are in trouble. We need to
12 protect the air space for birds and bats. Hawk migration
13 is another issue that hasn't really been addressed. There
14 are concerns by biologists here in this valley for hawk
15 migration.
16 Our major concern for this project is the
17 fact that it goes directly against virtually all the
18 existing wind power guidelines which emphasize the
19 avoidance of placing a wind farm in areas of undegraded
20 habitat. We are concerned for the survival of sage grouse
21 and other sage dependent species. The springs are
22 especially important areas because this is where there's
23 very little water, and this is where the wildlife are, the
24 birds and the elk and deer and potentially sage grouse.
25 So they're important, and we would like to get micrositing

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1 done around the springs up there.
2 For these reasons Kittitas Audubon is
3 opposing the Wild Horse Wind Project. We therefore
4 recommend that EFSEC adopt the no-action alternative for
5 the Wild Horse Wind Farm and not recommend the project to
6 the Governor.
7 In the event that the Wild Horse Project is
8 built we have a list of things we want to suggest based
9 primarily on the Audubon Washington guidelines, the ABC,
10 that is American Bird Conservancy Guidelines and from Mike
11 Danning who is a biologist member of the Blue Mountain
12 Audubon and a member of the Stateline TAC. We discussed
13 this with him.
14 Limit the size and number of turbines. Do
15 the nocturnal migratory bird studies because it's not too
16 late. It's possible I think to do both bird and bat
17 studies at the same time. Micrositing the towers. Give
18 the Technical Advisory Committee the power to recommend
19 the moving, decommissioning, or shutting down in response
20 to negative impacts on the wildlife. Our State Department
21 of Fish and Wildlife Guidelines say not to recommend that,
22 but without that power the TAC really doesn't have the
23 teeth that it needs to have to mitigate for detrimental
24 impacts.
25 Provide a mechanism to give the TAC the

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1 ability to seek review of a mitigation that it recommends
2 but the developer will not accept. Either the county
3 planner or EFSEC should have that power. It needs both
4 those recommendations. The TAC needs to give each member
5 voting rights, and it should exist for the life of the
6 project. There is some other recommendations, and they're
7 all in writing. Thank you very much.
8 JUDGE TOREM: Ms. Nelson, can you make sure
9 that the list that you referred of these other things from
10 the Blue Mountain Audubon and some other folks are
11 attached to or are submitted in writing?
12 MS. NELSON: They're part of the letter, the
13 second half.
14 JUDGE TOREM: I wasn't clear if they were
15 additional documents you referred to.
16 MS. NELSON: No, the Stateline study is in
17 there and the state of the birds leaflets that were
18 published last year. They're all in there together.
19 JUDGE TOREM: All right. Thank you very
20 much.
21 Next we have James Whitmire.
22 COMMENTS BY JAMES WHITMIRE
23 James Whitmire, W-h-i-t-m-i-r-e, 27630
24 Vantage Highway. I represent myself and my neighbor,
25 Christy Whitmire, who lives across the street. I

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1 submitted evidence the last time we had these things that
2 Beacon Hill Road is a private Road, and I want to keep
3 that into consideration. We're obviously in favor of the
4 wind farm, but we would like to look at both her property
5 lines and my property lines are about within a thousand
6 feet of the entrance to the wind farm, and we would hope
7 to minimize traffic, to keep down trespass issues, etc.,
8 etc. And that's basically it. But I wanted to let you
9 guys know that from day one Zilkha has worked with us, and
10 I get emotional. I shouldn't be doing that. But all of
11 Andrew, Chris, Jennifer, and Mr. Davies went above and
12 beyond to address our concerns, talked to us, worked with
13 us, and we're really appreciative of that fact. Thank
14 you.
15 JUDGE TOREM: Thank you, sir.
16 Next I have Anthony Jantzer.
17 COMMENTS BY ANTHONY JANTZER
18 I'm Anthony Jantzer manager of the Cascade
19 Irrigation District. Jantzer is J-a-n-t-z-e-r. I'm here
20 representing the irrigation district and the Board of
21 Directors of the district.
22 In our January board meeting, the Board of
23 Directors of Cascade Irrigation District unanimously voted
24 to support this project which is pretty much unprecedented
25 for our district. We represent 12,500 acres within this

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1 valley and approximately 1,300 customers. We are in
2 support of this project for several reasons.
3 In 1970, there was a landslide that took our
4 gravity feed system, and in 1974, we installed a lift
5 station to replace that gravity feed system which consists
6 of 2,400 horse power. We run generally from mid April
7 until mid October. We on an annual basis use 4.5 and 6.5
8 million kilowatt hours of electricity making us one of the
9 larger customers in the valley for electricity.
10 We buy our power from Puget Sound Energy,
11 and since power to us is our biggest single budget item,
12 it takes up between a quarter and a third of our annual
13 budget for power. We watch the power market very closely.
14 We have on occasion gone to the open market looking at
15 power and those kinds of things and have tried to
16 influence Puget's rates for us. If you look on Rate 35
17 for Puget Sound Energy, that would be Cascade Irrigation
18 District.
19 So power to us is very vital. It makes a
20 big difference to all of our farmers in our district which
21 affects our entire county. We have some of the best farm
22 land in the district. We have a lot of pressure on us
23 also to conserve water. Anytime you conserve water that
24 generally takes more power. We have three pump stations,
25 one lead lift station that uses the major amount of power.

1 We have two other pumping stations that we run plus a
2 little metal I.D. pump station for fish screens. We use
3 quite a bit of power in a lot of different areas.

4 When we built our lift station in 1974,
5 power was a surplus in Washington State and the Northwest,
6 and that's why we went to that versus repairing our old
7 gravity system that was destroyed by the landslide. It
8 seemed more economical and more viable because the ground
9 is so unstable we would have to move our flume.

10 As you are well aware the surplus of power
11 in the Northwest has evaporated, and we will be using more
12 power in the future. If we do not support projects like
13 this that allow us to produce more power or electricity,
14 the melee so to speak for the power that is there is going
15 to get worse. Our power prices will climb. Right now we
16 still enjoy a good price for our power, but as time goes
17 and more people need to use it, and we make it more
18 difficult for individuals to build power plants which is
19 in the norm. Every year it seems like it gets harder and
20 harder to produce new generating facility, and there is
21 more pressure on old facilities to close or to upgrade to
22 increase costs. Plus costs are passed on to all of us.

23 We believe that this generation unit is very
24 important. As previously stated Washington State depends
25 greatly on hydro power. As the irrigation district we are

1 keenly aware of that. Also it's using a lot of water, and
2 those kinds of things. As you're well aware this is a
3 drought year, so it really makes a lot of sense to us to
4 diversify such as wind farms and stuff, so hydro power can
5 be modeled with wind power. So that you can fill in gaps
6 and stuff, and you can use other types like propane or
7 natural gas type units and things to model with that wind
8 power to make it very viable and very cost efficient.

9 If power prices continue to rise at the rate
10 they have been, which we assume they will, and if we do
11 not allow these kinds of things to happen it will increase
12 more rapidly. It will make it much more difficult for
13 organizations like mine to conserve water. And as you're
14 also very well aware of it's not only power to mention
15 type body but so is water, and that's really brought to
16 the forefront this year in our drought situation.

17 We ask our farmers within our district to
18 save water. How do they save water? Generally it's
19 sprinklers and things like that. It takes a lot of
20 energy, but it costs them a lot because we won't allow
21 companies like Puget to build and operate new facilities.
22 That power cost is going to go up, and we will not be able
23 to conserve water. We will not be able to have growth and
24 those kinds of things that we need.

25 For those reasons and many other reasons the

1 Cascade Irrigation District is in full support of Puget
2 Sound Energy. We've worked with Puget Sound Energy very
3 closely since 1973. As one of their biggest customers on
4 this side of the mountains we have full faith in them that
5 they will manage this facility, if they purchase it, which
6 I believe they will in a very environmentally and
7 business, friendly type of a thing. We would urge you to
8 not only approve this project but to keep in mind the
9 extra burdens of costs that will be placed upon this
10 project because those costs will be passed on to us, and
11 we will end up paying them and so will our farmers.

12 So we would like you to keep in mind our
13 farmers and our individual users when you're thinking
14 about this project and the different requirements to be
15 placed on it. That you keep -- we realize that we need to
16 be environmentally friendly, but we need to weigh those
17 decisions on the cost of those and the benefits, and we
18 would ask you to weigh those very carefully. Thank you
19 very much.

20 JUDGE TOREM: Thank you, Mr. Johnson. Next
21 is Helen Wise.

22 COMMENTS BY HELEN WISE

23 My name is Helen Wise, W-i-s-e. I live at
24 1106 East Third Avenue in Ellensburg. I speak for myself
25 and for the community as a whole. I have testified a

1 number of times on behalf of wind power facilities, and I
2 will not go into that again this evening. You can look it
3 up if you want.

4 But you have expertise in various fields.
5 You know that there's an urgent need for additional
6 electrical power in our state and in our nation. You have
7 studied the Wild Horse Wind Power proposal carefully and
8 heard much from many who have testified before you. Now
9 you have the support of the Kittitas County Commissioners
10 as demonstrated in the documents that you have been
11 reviewing. These documents are the result of working
12 together of many groups and individuals. The County
13 Commissioners, the County Planning Commission, the County
14 Public Works Department, the County Deputy Prosecutor, the
15 -- oh, the Applicant, of course, and the perspective
16 buyer. And through all of these hearings that we have had
17 in our county process there have been opportunities for
18 comments from the public.

19 I for one am proud of what they have
20 accomplished. I urge you to accept the documents which I
21 understand you did already, but I am glad you did and keep
22 on working toward the building of the wind farm and Wild
23 Horse Wind Power. Thank you.

24 JUDGE TOREM: Thank you, Ms. Wise.
25 Next I have Chet Morrison.

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1 MR. MORRISON: I don't wish to speak.
2 JUDGE TOREM: All right. You are going to
3 decline, sir.
4 Next I have Steve Lathrop.
5 COMMENTS BY STEVEN LATHROP
6 Good evening. My name is Steve Lathrop,
7 L-a-t-h-r-o-p. Thank you for this opportunity to provide
8 this testimony. I apologize I wasn't able to attend your
9 proceedings earlier today, and with your indulgence I may
10 go slightly over the suggested time. I appreciate that.
11 Also in light of my recent withdrawal of participation, I
12 would like to provide for the record a copy of my prefiled
13 direct testimony.
14 JUDGE TOREM: If you will hand that to
15 Mr. Fiksdal.
16 MR. LATHROP: Sure. I wasn't really sure if
17 I would come here tonight with a whip and a chair, and you
18 may be pleased to see that I don't have horns and a tail.
19 I want to assure you I didn't have them surgically removed
20 just to show up here tonight. But impressions are
21 important in a decision-making process, and between this
22 project and the two other ones that are currently pending
23 we've been inundated in this County and valley with a
24 great deal of information, and I know you have been
25 provided with a lot.

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1 Much of that deals with the impacts on the
2 environment, and frankly, the inescapable impression of
3 this project is it's enormous in the number of turbines,
4 in the scale of each, in its proximity to other
5 landowners, in the obvious cumulative effects on the
6 valley. And what it's especially difficult for any of us
7 to fathom are the real scale of these impacts.
8 I've struggled I think along with a lot of
9 people to put some perspective on this. Downtown Seattle
10 the core area, if you will, is approximately two and a
11 half miles square, and that's from Elliott Bay to Lake
12 Washington from roughly the Space Needle down to the north
13 end of the stadiums. There are approximately 155 office
14 buildings in that area, only 12 of which are 30 stories or
15 higher. There are 158 turbines in this project each of
16 which is 41 stories high. It's over a mile from the south
17 end of Lake Union to where this core of buildings are, and
18 when I actually measured that out, it seemed they were
19 much closer than that. I was surprised that it was over a
20 mile because of the scale, but that's the distance from
21 the boundary of the project and closest town as proposed.
22 Now it's eight miles from downtown Seattle
23 to East Gate, and we've all driven west on I-90 and looked
24 at the skyline there at East Gate, and it's pretty
25 impressive. But keep in mind the tallest buildings you're

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1 looking at there's only 12 of them. Eight miles is how
2 far the project is or project boundary is from Kittitas.
3 This valley is quite compact. You've been here several
4 times and hopefully you've visited on other occasions than
5 just attending these hearings. But the valley is about 20
6 miles running northeast or northwest, southeast and about
7 ten miles wide.
8 So Wild Horse is all about location. The
9 visual impacts, the vibration, the noise, and the property
10 values are the prime impacts that we're concerned about.
11 Wild Horse has justified its application
12 because of this remoteness, but we can easily understand
13 that it's really not very remote at all. Even with one
14 mile to a project boundary, even as their application
15 recites that it's a mile and a half to the closest
16 residence, recall that it sits however on a series of
17 hills that leaves no topography between those visible
18 towers to shield them from the balance of the valley.
19 This isn't just an impression either. This is reality.
20 In the environmental documents and the
21 Applicant's experts acknowledge these facts. They
22 acknowledge these impacts, but again justify them again
23 because of the perceived isolation. The real problem here
24 is that there is simply no wind farm located in an area
25 comparable to this valley. And what was enlightening,

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1 disappointing from my standpoint, but enlightening
2 nonetheless was that neither side in testifying before the
3 County Commissioners could come up with what the
4 Commissioners felt was reliable information about what
5 impacts on property values might actually occur here, and
6 the reason was nobody had anything to measure it against.
7 There's no place of residential density as
8 close as this. There's no place where vacant land values,
9 a large parcel, I'm talking 20 acres plus where they're
10 that high. We have come to find that \$10,000 an acre in
11 20-acre parcels is becoming commonplace here. There's no
12 place where the potential for growth is as great as here,
13 and I would point, and in fact I'll give you my only copy,
14 but it's a little dog-eared, the January 7 through 14, 13
15 of this year edition of the Puget Sound Business Journal,
16 and it gave its annual Washington outlook survey.
17 Kittitas County was not only mentioned as being one of the
18 fourth fastest growing counties in the state, it was
19 prominently mentioned in three separate articles and in
20 the lead editorial as an attractive place likely for
21 growth.
22 If one needs any confirmation about what
23 kind of impacts we're talking about, in a very recent
24 public hearing before the County Commissioners on the
25 enXco project, which you may be familiar with, it's also

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1 pending, the proponents finally argued that approving the
2 enXco project would slow down this growth. That's their
3 justification. Yet we are urged that the Wild Horse
4 Project won't have any of these impacts on land values.
5 What about the precedent the first approved
6 project is going to set? What about the cumulative
7 impacts of something of this scale? How far away is
8 enough since it's not just distance; it's also site lines?
9 Can a 10 or 20 percent decline in land values be reliably
10 measured by anybody in advance or estimated? But in a
11 valley where the assessed valuation already exceeds two
12 billion dollars what kind of numbers are we talking about?
13 That's a lot of risk. What kind of chilling effect does
14 the first wind power project in this compact area have on
15 the future growth and attractiveness of this area? Will
16 there be anything that one can rely on as property owners
17 as I am or that can be said to a perspective purchaser,
18 one wanting to relocate a business here primarily because
19 of aesthetics, good proximity to big markets in Seattle?
20 How do we allay their fears that their area is not next?
21 Because what's off limits? Now the appeal periods will
22 have long expired before the true impacts are felt. What
23 effective recourse at that point will a landowner have?
24 Most importantly who should bear these risks?
25 Your charge is pretty clear in the statute,

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1 and you know it well. I'm going to recite a portion of
2 RCW 80.50.010 because I think it's particularly
3 enlightening. In dealing with the policy, and I quote,
4 It's the policy of the State of Washington to recognize
5 the pressing need for increased energy facilities to
6 ensure through available and reasonable methods -- and
7 here's the part I want to emphasize. -- that the location
8 and operation of such facilities will produce minimal
9 adverse effects on the environment.
10 I go on. It is the intent to seek courses
11 of action that will balance the increasing demands for
12 energy facility location and operation in conjunction with
13 broad interests of the public.
14 Such action will be based on these premises,
15 and there are five. But one of those five I want to read,
16 and it's the second one. To preserve and protect the
17 quality of the environment, to enhance the public's
18 opportunity to enjoy the aesthetic, the recreational
19 benefits of air, water, land resources, to promote air
20 cleanliness, and to pursue beneficial changes in the
21 environment. What should you do?
22 Well, first, I reluctantly believe that this
23 project will likely be approved in some form, but if we
24 are going to be subjected to this experiment, and I call
25 it an experiment not because there aren't other wind

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1 farms, but because there is no other comparable location.
2 This will be an experiment. Make no mistake about it.
3 What do I think you should do? The
4 Applicant has justified this project several ways. First,
5 and it was testified to earlier this evening by someone
6 else, the supposed owner/operator at some point is PSE.
7 That's a reputable, well thought of company. But make it
8 a condition.
9 Second, it justified its application because
10 no tower was located closer than one mile from the project
11 boundary. Make it so. There is no residence closer than
12 a mile and a half from any tower location. Make it so.
13 However, the real protection and mitigation impacts and
14 the allocation of risk, and by the way I can't
15 overemphasize that it is the Applicant that has to bear
16 this risk. Restrict the highest part of any tower, blade,
17 apparatus of any kind to be no higher and east of the
18 ridge line. In other words, put it out of site of the rim
19 of the valley. According to the Applicant's materials
20 that I have looked at and I believe prior testimony, it
21 only removes approximately 30 towers. We know from other
22 projects that the economics are much lower than that;
23 meaning that doesn't make it uneconomic.
24 Now in spite of prior impressions, and I
25 can't overemphasize this, I do believe you take your

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1 charge here seriously. I think you're willing to provide
2 the balance that the statute imposes in these kinds of
3 situations. This is a massive project, and the community
4 needs to be given an opportunity to safety gauge the true
5 impacts. Wind has blown a long time in this valley, and
6 it's going to blow for a long time after we're all gone.
7 If all the good is true, and all the impacts are as
8 minimal as we have been led to believe, then there is
9 really no fear of long range. But if that's not true, and
10 if those impacts are much greater, then at least they've
11 been somewhat controlled. Please strike that balance.
12 Thank you.
13 JUDGE TOREM: Thank you, Mr. Lathrop. If
14 you want to make copies of those Puget Sound Business
15 Journal articles that are applicable rather than the whole
16 paper, I think the Council would appreciate that as long
17 as they're postmarked by Friday.
18 MR. LATHROP: I would be happy to do that.
19 Thank you very much.
20 JUDGE TOREM: We have two additional
21 speakers signed up. Ms. Makarow, do you have anyone else?
22 I think she does. Desmond Knudson.
23 COMMENTS BY DESMOND KNUDSON
24 Desmond Knudson. Last name spelled
25 K-n-u-d-s-o-n. Good evening and hello to all of you

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1 again. I would like to say first and foremost to all of
2 you thank you, and thank you for coming over here to have
3 these meetings. It means a lot. Not only to the
4 opponents but for us proponents also.
5 Now all parties that wish to stay involved
6 in this process, which they are still involved, and some
7 that have settled, they have moved on, but you're still
8 hearing the sky is falling from these individuals. This
9 is private property, and it is a lot of property that we
10 would like to remain in the position it's in and the
11 condition it's in. This is a small footprint that this
12 project will put on this land and keep all of the area
13 usable for the habitat not to be destroyed by quad
14 runners, by dogs, cats, by people, by people burning their
15 trash, by people throwing out their trash. This will be a
16 sanction for the wildlife and the people that get
17 permission to go on it. This is private property, not the
18 state's property.
19 Remember that Mr. Lathrop, Mr. Kruse and
20 Friends of Wildlife and Wind Power and Kittitas County
21 have settled. They've come to terms I believe is the term
22 best used. Think about that in your deliberations. It
23 comes to you guys to review all the information you
24 receive. I personally know as involved as you have been
25 you will do that. After you review the merits of this

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1 project, it is your turn to send it on to the Governor of
2 this great state, your recommendation, and what I root for
3 is for a quick approval of this project.
4 Kittitas County and its citizens can use the
5 power. We know power is low, we know water is lower, and
6 the dollars and the tax dollars it generates can be used
7 here. Thank you again for coming, and we wait for your
8 decision.
9 JUDGE TOREM: Thank you, Mr. Knudson.
10 Birget Mitchell.
11 COMMENTS BY BIRGET MITCHELL
12 My name is a Birget Mitchell, and that's
13 Mitchell, M-i-t-c-h-e-l-l. And I'm speaking as a citizen
14 of Ellensburg and more importantly a citizen of the planet
15 of which I'm very concerned. Depending upon what
16 scientist you listen to there's somewhere between 15 and
17 60 or 70 years of fossil fuels left to us, and I think
18 that when that day comes, boy, if we don't have some other
19 backup we are going to be in really big trouble. So I
20 think it's important to be considering things like this
21 wind farm now before that happens.
22 So I also want to say that I drove along the
23 Vantage Highway frequently last year in my commute to
24 teach high school at Mattawa, and I very, very rarely
25 encountered even one other car, and that's coming both

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1 ways. I want to say that.
2 I also wanted to talk about sculpture and
3 how sculpture in its purest form, if you look at the
4 dictionary definition, it's a three-dimensional object in
5 space. I wonder sometimes if perhaps when they were
6 thinking about building things like the Taj Mahal if there
7 was a hue and cry about that sort of thing. In our cities
8 we put a lot of money into building sculptures for the
9 aesthetics of it, and I personally think that the idea of
10 this wind farm sounds like an amazing visual sculpture on
11 the landscape. I think that we need to rethink our idea
12 about beauty in that regard, and that perhaps some day
13 these wind farms will be considered, you know, maybe one
14 of the seven wonders of the world for their magnificence
15 in their position on the horizon rather than considered an
16 eyesore. I think that I'm excited to be able to see it
17 when I drive on Vantage Highway in the future. Thank you.
18 JUDGE TOREM: Thank you, Ms. Mitchell.
19 Our last signed up speaker is Mark Teske.
20 When he's done, if there are any others that want to come
21 up, I will call you up. Mark Teske.
22 COMMENTS BY MARK TESKE
23 My name is Mark Teske. I'm representing
24 myself today. I live here in Ellensburg, and I live at
25 1301 Vista Road, Ellensburg, Washington 98926. I often

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1 represent or talk to groups like this, but this is one of
2 the more difficult talks that I have ever given.
3 I'll start with a quote here. This is from
4 Leopold. He wrote the penalty of ecological education is
5 that one lives alone in a world of wounds, and I really
6 think that that's what we're talking about today is wounds
7 and a major one. We have lost 60 percent of the shrub
8 steppe in the State of Washington. It's gone. It covered
9 vast portions of the state, and we had populations of
10 wildlife associated with them. Populations of sharp-tail
11 grouse in the vicinity of the Walla Walla area is such
12 that the market hunting occurred or wagon wheels of birds
13 were harvested and taken to market back east. Here a
14 little more closer to home the badger pocket area the
15 population of sage grouse were large enough where they
16 were depredating on farm crops that occurred in the area
17 and damage hunts occurred there in order to deal with that
18 problem. Obviously our populations have been reduced
19 significantly since that time.
20 We have roughly a thousand birds in the
21 State of Washington, two populations, Kittitas and Yakima
22 County and then up in the Douglas County area, and this
23 wind farm is essentially sited between the two
24 populations. Now I talked earlier about the status of
25 shrub steppe in the State of Washington and how 60 percent

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1 is gone. Shrub steppe is interesting stuff. We can't
 2 really make this stuff anymore. It's sort of like land,
 3 not making any more of it.
 4 Shrub steppe is made up of four components.
 5 If it's in great shape, it has four layers potentially of
 6 cryptobiotic crust which is along the ground, mosses and
 7 such which are hydrogen fixers to prevent weeds from
 8 becoming established. Next you have the fourth layer
 9 which is the flowering plants that are very important for
 10 wildlife, for bugs that are associated with them. Then
 11 you have bunch grass not a sod forming grass but a bunch
 12 grass where you have interstitial spaces between the
 13 individual bunches, and then you have a shrub layer.
 14 Again, that stuff we just cannot really make the stuff.
 15 The seeds, for example, are just prohibitively expensive,
 16 and so the technology to make this stuff is just not
 17 really there for making it on any scale. So I think
 18 that's another reason why we should be very careful about
 19 what we do to destroy it and what we do to shrub steppe to
 20 make it less usable because it is in limited supply.
 21 I'm going to focus on sage grouse today
 22 because they are intermittently associated with shrub
 23 steppe. They eat sage brush, and they live in the
 24 country. I'm going to talk about the concept of
 25 connectivity. Now recently in the I-90 corridor, which

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1 most of us travel rather frequently, a tremendous effort
 2 has been made to secure habitat for the spotted owl
 3 because connectivity was thought to be an important thing.
 4 This involved acts of Congress where one of the largest
 5 federal private land exchanges in the nation's history
 6 occurred there in order to block up habitat in the
 7 vicinity of I-90, so that we could hope to have movement
 8 across there of spotted owls. In addition to that a
 9 private effort with the Cascade Conservation Partnership
 10 occurred where federal grant dollars were matched with
 11 public or private I should say moneys that were generated
 12 to again secure some of this land for the long term, so
 13 that we could have connectivity across there. Again, the
 14 importance of the movement across this area was deemed
 15 important enough where we had tremendous efforts by the
 16 feds and by private entities in order to secure habitat
 17 there.
 18 I-90 is being considered for widening where
 19 lanes will be added in each direction facilitating
 20 additional movement of traffic, and plans are in early
 21 stages in draft form or early drafts. These numbers are
 22 preliminary, but they're looking at expending fifty to a
 23 hundred million dollars, possibly higher, in order to
 24 secure permeability of that highway to wildlife. Not just
 25 threatened and endangered species but wildlife in general,

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1 movement through this area because of the tremendous
 2 traffic there. This was deemed for safety reasons and
 3 again for genetic flow movement, movement of animals, and
 4 disconnecting population.
 5 If you've spent a little time in the San
 6 Juan Islands, you'll see these dwarf deer that don't look
 7 right. It's a concept of island biogeography where you
 8 have these interbreeding animals, and after a while it
 9 doesn't benefit the animals. If this concept is a valid
 10 concept, connecting populations were huge. Huge efforts
 11 in federal and private money have been done in this
 12 concept. I mean this concept is valid there. If it's
 13 valid there, it's valid out here.
 14 Location is everything. I know that this
 15 location is being selected because we've got a lot of open
 16 ground with a private landowner and we have wind. But we
 17 also have shrub steppe there, and I talked about how we're
 18 not very good at making it. When you think about this
 19 state, and when you look at a map, you see how many acres
 20 of dry land wheat, for example, exists, and it is tens of
 21 thousands of acres of dry land wheat which essentially the
 22 biological value of that is drastically less than intact
 23 shrub steppe. And from my thinking placing a facility in
 24 a setting like that where you already have a radically
 25 altered environment, where you already have the

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1 disturbance there, it seems to me protecting the stuff
 2 that's intact, currently functions makes a lot of sense
 3 when you look at what we have out here with intact habitat
 4 within this landscape between the last two populations
 5 that we have in the state, a thousand birds.
 6 Another issue regarding the sage grouse is
 7 the West Nile virus. The West Nile virus is coming. I'm
 8 surprised it didn't get here last year, but it's in Idaho.
 9 It's in Oregon. It is lethal to the sage grouse. They
 10 have radio-telemetry birds in Wyoming, for example, and
 11 when an animal that has a radio-telemetry collar on it
 12 doesn't move for a while, you get what's called a
 13 mortality signal, a different signal is given off. They
 14 retrieve the birds, and they do a necropsy on it, and
 15 they're dead from West Nile. So we've got a thousand
 16 birds, we've got the West Nile coming this way, and we are
 17 putting a wind farm between the last two populations in
 18 the State of Washington that we have. So it's just
 19 difficult to really envision that it's very intuitive that
 20 you want to connect populations and don't want to bisect
 21 or fragment them, and this is just one species.
 22 So these are some of the things that I
 23 wanted to discuss here, and this is free from the state
 24 agency, the Department of Fish and Wildlife Sage Grouse
 25 Recovery Plan. They have a recovery map for the birds.

1 You see where the core areas are for the birds, and then
2 you see, you know, areas where others bird have been
3 noticed, and this is right in the heart of two areas.

4 This here in the local area you have the
5 Hanford Reservation to the south, and you have adjoining
6 that you have the Yakima Training Center, another big
7 block of shrub steppe, and then you have a Quilomene,
8 Whiskey Dick clothed in wildlife here. That's our big
9 block of shrub steppe. Because of the biology of the bird
10 they need large landscapes to exist, to persist, and to
11 thrive, and to reduce that area, the effectiveness of the
12 area and our ability in the future to connect the
13 populations, it's a once in a lifetime deal.

14 I am 42 years old. In 30 years I'll be 72
15 if the Lord allows me to live that long. That's a long
16 time. I don't know if any of you have ever seen a sage
17 grouse. They're spectacular birds. In a few weeks
18 they're going to be lekking on the Yakima Training Center.
19 I would urge you to make connections out there, and they
20 allow you to review at a distance the birds on their leks,
21 and it's a neat thing.

22 I guess I'll conclude my remarks with that
23 and urge you to very, very seriously consider what is
24 going on here because it's a decision that will have
25 repercussions and reverberations for years to come

1 regarding these birds. I think we in the State of
2 Washington why can't we have sage grouse here? Why do we
3 have to let them go? I think that we owe it to our kids
4 in generations ahead. I think some of decisions that have
5 been made in the past regarding Grand Coulee Dam, put that
6 in and thousands of miles of salmon habitat disappears.
7 Gone.

8 I'm going to talk about fish here. Again, I
9 think it's applicable. A recent book by a Professor at
10 the University of the Washington, Dave Montgomery, it's
11 called King of Fish, The Thousand Year Run Salmon. What's
12 interesting about that is that he looks at the salmon
13 population in England, and they had kings in the 1500s
14 recognizing that fish passage was important, so they
15 prohibited dams and barriers on the streams and rivers and
16 habitat degradation in relation to the stream. You go to
17 the East Coast of the United States we had the Atlantic
18 Salmon there. There were quotes in here from guys that
19 were complaining that they couldn't get any sleep because
20 the fish jumping out of the water were making so much
21 noise. The fish at that time were the Atlantic Salmon.
22 Again, laws were on the books. They recognized what
23 needed to be done.

24 It brings it here to this coast. Same thing
25 with the dams. People knew what needed to be done, and it

1 never happened. It's like a congenital defect in humanity
2 that we know what needs to be done, we know what makes
3 sense, and we continue to make decisions that go against
4 that concept about connecting the habitat, keeping things
5 connected.

6 But it was recognized early on in that book
7 regarding the things that were happening in the salmon,
8 and everybody knew what to do and it didn't happen. I
9 think this is an absolute example of that. If you looked
10 at and talked with a 100-level Ecology class in college,
11 and you talked to them about placing something like this
12 between the last two populations that we have in the state
13 it's counterintuitive.

14 And I understand the concept of collisions
15 or avoidance, and I think you know collisions are
16 minimized. Well, they happen. Oh, it's just going to be
17 a few birds. Well, we've only got a thousand birds, and
18 you get a very productive female gets whacked every couple
19 of years, and the avoidance issue of birds that don't want
20 to be anywhere around it. How are we going to connect the
21 population when we have some avoidance going on? What
22 about the future when agencies that are striving to
23 recover this bird are looking at procuring grants?

24 Now if you're a federal entity and you're
25 reviewing a grant application for sage grouse, and you

1 look at, okay, we've got a wind farm here in the vicinity
2 where they're trying to spend this federal money to
3 recover this bird, I think that has repercussions on this
4 state's ability to recover that bird because a grant will
5 not be favorably viewed when it is in that context, in
6 that scenario.

7 So with that, I will end my remarks.

8 JUDGE TOREM: Thank you, Mr. Teske.

9 Before I call for other people to speak, let
10 me say that we've gone through a number of issues tonight
11 that we heard testimony on today, and I want to assure
12 those of you that weren't present at the adjudication
13 yesterday or today, we did have detailed descriptions and
14 testimony about mitigation of wildlife impacts, and those
15 included specifically sage grouse, and there were a number
16 of questions posed specifically by the Councilmembers
17 regarding that species and the shrub-steppe habitat. So
18 that is being taken into account.

19 The access issues and those were the
20 property owners around the area as Mr. Whitmire spoke to
21 that was discussed today as well. We heard about the
22 transportation plan for the construction portion of the
23 project. We also did hear a number of things that
24 addressed Mr. Lathrop's concerns regarding visibility and
25 visual impacts of the project and property values. I have

1 to say we didn't hear anything about sculptures today, but
2 nonetheless every one of those other issues that have come
3 up tonight so far have been covered in the prefiled
4 testimony or other exhibits that are available to the
5 Council.

6 I'm inviting anyone else that wants to come
7 up now to state their name and please make sure you spell
8 your last name for the court reporter, and so that I can
9 take your names down. State your address, and then if you
10 will launch into your testimony and come up one at a time.

11 COMMENTS BY DEBBIE STRAND

12 Good evening. First of all, having taken
13 part in the proceedings for the last few days, -- oh,
14 excuse me. Debbie Strand, Economic Development Group of
15 Kittitas County, 221 East Fourth Avenue.

16 First of all, after having taken part in the
17 proceedings over the last few days, I want to thank you
18 the Council, the Administrative Law Judge, the Counsel for
19 the Environment and the Applicant, the Assistant Attorney
20 General's Office and everyone else, EFSEC staff, who took
21 part in these proceedings. I was very impressed with the
22 thoroughness and how well the proceedings proceeded.

23 As you all know the Economic Development
24 Group of Kittitas County is a nonprofit organization that
25 is focused on business growth and expansion in our county.

1 Based on the information our board has collected the
2 decision was made to support the Wild Horse Wind Project
3 due to the net positive economic impacts this project will
4 have on the community related to jobs, capital investment,
5 tax impacts, and income generated.

6 In early 2002, Zilkha Renewable Energy
7 announced their plans to construct a wind project in
8 Kittitas County. Since that time volumes of information
9 have been published and a considerable amount of time has
10 been spent discussing the pros and cons of wind projects,
11 not only this one but the other ones that have been
12 proposed for this county. Many of us attended numerous
13 public meetings and read all kinds of information
14 regarding the projects.

15 Tonight we're focusing on the Wild Horse
16 Wind Project. Wind Ridge Power Partners chose to apply to
17 EFSEC to be permitted for this project. Kittitas County
18 has now determined that the project is consistent with
19 local land use policy and has issued them a certificate of
20 land use consistency. As part of the process going
21 through the county a lengthy Development Agreement was
22 produced. You spent the last few days listening to
23 testimony regarding this project presented by the
24 Applicant and numerous other groups. One of these pieces
25 of testimony that was placed in as an exhibit was the

1 Development Agreement. It was developed by the County and
2 the Applicant.

3 This Development Agreement is really the
4 project of the county itself. Not only the County staff
5 but the Applicant and also the residents of the county.
6 Many comments were made regarding this, and those comments
7 were taken into this document. So it's a final supplement
8 to all the information now that you've received. You're
9 getting a few more public comments, and if you'll indulge
10 me, I'm going to talk about a few things that I did not
11 provide in my prefiled testimony.

12 Last year I spoke to some of the
13 representatives of the Florida Power and Light Project
14 down at Stateline and asked them just for their general
15 comments on the project. I spoke to a woman there who
16 gave me a little bit of information about, you know, some
17 of the hands-on things involving that project.

18 This project is about 300 megawatts. Wild
19 Horse is only about two-thirds the size of that project.
20 Right now there are 22 full-time employees there, and
21 there are contracts with a number of local vendors and
22 suppliers for many other surfaces. Sixteen of these
23 employees are technicians, most of whom were local hires.
24 All of the 22 live in the local area. Florida Power and
25 Light purchased trucks that were used on the project from

1 a local supplier. They paid 1.5 million dollars last year
2 in Washington taxes and \$800,000 in Oregon taxes. The
3 representatives stress that schools were the biggest
4 beneficiary of this project, and schools did have several
5 recent expansions that they were able to do because of
6 this project being located there. Tourists are very
7 popular. In fact, when I went on the internet, I found a
8 listing for a wind and wine tour where they toured the
9 wind farm project, and then they went to the local
10 wineries in the Walla Walla area. So tourists do continue
11 to go to that area.

12 The other important thing to note is that
13 with Puget Sound Energy being the potential purchaser of
14 this project much of the fiscal analysis that you have
15 within the Draft EIS is not valid any longer. This is due
16 to the fact that as a private utility PSE is simply
17 assessed by the Washington State Department of Revenue.
18 This has two major impacts on property tax analysis.
19 First of all, the entire project will be exempt from
20 Initiative 747. The second impact is rather than the
21 assessed value of the project depreciating over its life,
22 the assessed value of the project each year is determined
23 by using a discount rate. The discount rate is determined
24 by the Department of Revenue based on a complicated
25 formula. According to the Department of Revenue the

1 discount rate is almost always very close to 50 percent.
2 The implication of these two factors is that
3 a much higher assessed value can be used to calculate
4 property taxes, and the assessed value will remain fairly
5 consistent over the life of the project and will not
6 depreciate down to zero value that you normally think of
7 at a depreciation table.

8 According to the Department of Revenue,
9 Puget Sound Energy's current discount rate is
10 approximately .505. Using this discount rate and an
11 initial capital investment of approximately 270 million
12 dollars, PSE will be paying about 1.5 million dollars in
13 taxes making it the largest taxpayer in this county. In
14 fact, it will be the largest taxpayer, but the next ten
15 taxpayers underneath it don't pay as much combined as
16 Puget Sound Energy would. Of this 1.5 million dollars
17 approximately 1.3 million will be new tax dollars to our
18 community. The remaining tax dollars will go to reduce
19 the taxes of the rest of us within the county with the
20 residents in the Kittitas School District being the
21 biggest beneficiary. The new tax dollar figures are
22 significant but different tax entities.

23 The project will increase the assessed value
24 in the Kittitas School District by an additional 75
25 percent. As a result the Kittitas School District will

1 receive a huge increase in their revenue somewhere in the
2 range of \$500,000 and additional funds through property
3 taxes alone. The County General Fund will also see an
4 additional dollar value somewhere around \$180,000, and the
5 County road fund will see approximately \$270,000. These
6 figures are very rough. I'm not an accountant, but doing
7 some basic math this is what you come up with.

8 This tax revenue will remain fairly
9 consistent which is really important because the County
10 and other entities who are going to be receiving those
11 moneys can plan ahead, and so you can use it for matching
12 dollars for future grants that you're looking at for road
13 projects or hiring employees that you know will be there
14 for several years down the road. So this is an important
15 factor to know that this money will remain fairly
16 consistent.

17 So this analysis takes into account only
18 property taxes paid. According to the DEIS, the
19 Department of Natural Resources and the Department of Fish
20 and Wildlife will also see some additional rental income
21 from turbines placed on their land. We all know this
22 county is growing rapidly. The figure that Mr. Lathrop
23 used is correct. We are the fourth fastest growing county
24 in the state and have been for the past four or five
25 years, somewhere around in that area. The other three

1 counties that are ahead of us are Benton, Franklin, and
2 Clark counties.

3 Many of us are also aware there is a lot of
4 residential growth occurring within this community, and a
5 number of new housing units that are in some form of
6 permitting is staggering. So let's consider a little bit
7 just for a moment the economic impacts that residential
8 growth has and commercial growth and why it's important to
9 have a mix of land uses within the county.

10 The cost of community services is an area
11 that focuses on how various types of land use affect local
12 government taxation and spending. The question of whether
13 increased revenue to our local community from residential
14 pays for increased demand on the local services is a
15 question that a study in this area looked at.

16 At Ohio State University a fact sheet on
17 community development states the cost of community
18 services ratio that's been developed for three different
19 land use categories, residential, commercial/industrial,
20 and farm land open space. A ratio greater than one means
21 that for every dollar of revenue collected for a given
22 category of land more than a dollar is spent associated
23 with it to provide the kinds of services that land would
24 demand. The report states that for every dollar collected
25 in residential demand is approximately \$1.15 to \$1.50 in

1 services. Commercial/industrial only demands between .35
2 cents and .65 cents. Farm land open space is even lower
3 at somewhere around .30 to .50 cents. The implication
4 here is that residential could become a net drain on a
5 community, particularly on local government budgets. So
6 as we add residents to our community we need to create
7 additional sources of commercial and industrial growth to
8 support this growth within our community. This project
9 would certainly help generate some of the revenue that our
10 community needs. Additionally, according to the DEIS
11 mitigation measures for schools, water supplies, sewer and
12 storm water, solid waste, energy and communications are
13 not necessary due to the insignificant impacts identified
14 for these services and utilities.

15 So, again, this is community growth. It's
16 important to create a mix of uses. Since much of our
17 recent growth has been residential, we certainly need to
18 add this industrial commercial growth to balance out our
19 community services. This project would generate some of
20 the revenue that our community needs badly to continue to
21 grow and prosper. The net economic benefits associated
22 with this project is positive which is why the Economic
23 Development Group of Kittitas County accurately supports
24 this project. We urge the Council to continue with their
25 scrupulous examination and deliberation of this project at

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1 the same time recognizing that the economic benefits of
 2 this project will be of value to our community. A
 3 positive recommendation to the Governor in a timely
 4 fashion will enable Kittitas County to begin reaping the
 5 benefits of this project to our community in the near
 6 future. Thank you very much.

7 JUDGE TOREM: Thank you, Ms. Strand. I see
 8 one gentleman behind you that is wishing to speak.

9 COMMENTS BY KEVIN ESLINGER
 10 My name is Kevin Eslinger, E-s-l-i-n-g-e-r.
 11 I reside at 2421 Delmarco Road, Ellensburg. I apologize
 12 if I read my statement. I didn't get it done early enough
 13 to memorize it, so it's not I'm looking at this rather
 14 than you.

15 I'm a fifth generation farmer in the
 16 Kittitas Valley. Our farm is located at the east end of
 17 the Badger Pocket. My family has farmed the same property
 18 since 1899. My last two great grandparents passed when I
 19 was in my teens, so I grew up with a lot of different
 20 stories about the valley. Tonight is the first night I
 21 ever heard that grouse were a problem in the Badger Pocket
 22 as far as crops.

23 I'm currently the President of the Kittitas
 24 County Farm Bureau. My testimony tonight is on behalf of
 25 the Kittitas Valley Farm Bureau. Our county's membership

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1 has 400 farm families and supporters. It's important to
 2 farm growth that grazing of livestock continues on this
 3 property. It's been used for grazing since the mid 1800s.
 4 PSE has stated it plans to allow livestock to graze on its
 5 project. PSE is working closely with Kittitas County Farm
 6 Bureau to produce a management plan for livestock and
 7 wildlife. Also PSE has joined the Big Game Management
 8 round table, a diverse group of stakeholders, including
 9 the Farm Bureau, Kittitas County Cattleman, state
 10 agencies, and nonprofits. PSE understands the importance
 11 of water to livestock and wildlife to stay, their
 12 willingness to fend, and further develop the spots on
 13 their project.

14 We're all aware of our County's growth, but
 15 it's the power needs of our ag. community that I feel are
 16 not as well known. Every year more irrigated land is
 17 being converted for real pressurized methods such as
 18 pivots. With every short water year, more pump back
 19 stations are installed to reuse the amount of water
 20 allotted. Also fish screening is a major issue in our
 21 tributaries. By state law all our diversions will need to
 22 be screened and quite often the pump and screen is more
 23 practical than a gravity screen.

24 The buffer on the wind power project is very
 25 important. Wild Horse has 8,000 feet between any towers

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1 and the closest home. The homeowners of the land
 2 surrounding the project will be DNR, Fish and Wildlife,
 3 and American Mineral Lands. Any future homes close to
 4 that project would be dealt with after Wild Horse, and it
 5 would be their decision to live close to the wind towers.

6 The State Farm Bureau is backed by a set of
 7 policies that are reviewed and voted on annually by its
 8 membership. But even with the policy encouraging
 9 development of a number of alternative sources of energy
 10 including wind, water, and most all the sources other
 11 sources our Board was unwilling to endorse the previous
 12 water projects in our Valley because of the affects on the
 13 view shed. Because of the location and the fact that most
 14 of the towers are on the back side of Whiskey Dick, we
 15 believe the Wild Horse Project is far less intrusive to
 16 our county view.

17 Kittitas Farm Bureau fully endorses the Wild
 18 Horse Wind Farm, and we look forward to working with them
 19 in the future to keep grazing and wildlife thriving on
 20 their project. Thank you.

21 JUDGE TOREM: Thank you.
 22 Is there any other person wanting to speak
 23 tonight?
 24 Come on up, sir.
 25 ///

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1 COMMENTS BY ARTHUR DOBBINS
 2 I'm Arthur Dobbins. I live at 1961 Summons
 3 Road, and there's something missing tonight. I want to
 4 talk to each one of you individually to wake everybody up
 5 here. Our sons and our daughters are shedding blood in
 6 mock valiant and the craziness about petroleum reserves.
 7 If just one tower saves one life, is it worth it? Thank
 8 you.

9 JUDGE TOREM: Anyone else wishing to speak
 10 to speak tonight?

11 COMMENTS BY BRIAN LENZ
 12 Good evening. My name is Brian Lenz, and I
 13 am the Local Government Community Relations Manager for
 14 Puget Sound Energy. I live at 1441 Emerson Road in
 15 Kittitas County. I've been living in the valley since
 16 about 1990.

17 Why approve Wild Horse? The Wild Horse Wind
 18 project is needed by Puget Sound Energy to meet our
 19 customers' growing electric demand. PSE intends to own
 20 and operate the Wild Horse Wind Farm for the long term
 21 providing low cost energy for our customers. Wild Horse
 22 will provide a new source of tax revenue to support
 23 Kittitas County reducing the need to raise taxes, and it
 24 will provide other economic benefits that you've heard
 25 tonight for its citizens.

1 The wind project is also the least cost
2 resource, and I'll go into that in more detail. We are
3 here today to ask you to approve this project because this
4 project is ideally suited to be located in Kittitas
5 County. Growth drives the need.

6 Currently on this chart it is identified
7 that Puget Sound Energy has a gap of 382 average megawatts
8 by 2008, and Wild Horse is needed to help meet the demand
9 in this gap. Wild Horse is just part of the solution to
10 fill this long-term need. In 2004, Puget Sound Energy
11 acquired a 50 percent share of the Fredrickson Natural
12 Fired Gas Combustion Turbine, signed a 85-megawatt
13 purchase power agreement, and also as of today signing the
14 final papers for a 150-megawatt wind farm in Columbia
15 County. We are also continued in an aggressive
16 conservation project program.

17 This slide identifies the expected shortfall
18 in Puget Sound Energy's generation resources, and the line
19 in red shows our customer growth load. As you can see
20 currently there's a gap in that. We're out on the spot
21 market buying short-term power. PSE's contracts with Mid
22 Columbia are coming due, so we are having not only an
23 increasing demand in customer growth, but we are seeing a
24 reduction in generation resources and long-term contracts.

25 Currently our average daily load is

1 jobs, and the project will also create approximately two
2 million dollars in direct revenue through taxes, and it
3 has been mentioned before that it's larger than the top
4 ten taxpayers in Kittitas County.

5 This is a diagram that shows -- it's a
6 representation of some of the testimony you heard before
7 by Debbie Strand. The Kittitas School District will
8 receive approximately \$857,000 a year in taxes. There are
9 557 students in that district. They're going to see a
10 significant increase in the amount of moneys that will be
11 collected. Because it's a bond and levy situation what
12 they don't actually see is additional funds the folks who
13 live in that district will actually see as a reduction in
14 the total taxes that they have to pay individually. A lot
15 of them are farmers that have large parcels.

16 The hospital district in Ellensburg will see
17 approximately \$60,000 of new funds. The state schools
18 which is CWU and other things under that budget line item
19 will see approximately \$523,000; \$403,000 of that is
20 through taxes and the additional difference is in the
21 leases through the DNR trust funds.

22 The General County Fund will see
23 approximately \$189,000 a year in additional funds. This
24 is approximately a five percent increase in the General
25 Fund in this property tax section. The Road Fund, which

1 approximately 2,500 average megawatts, and we are making
2 up as I spoke before this shortfall on an average on the
3 open market daily. With new resources like Wild Horse and
4 the Hopkins Ridge Project this will reduce our customers'
5 exposure to the volatile short-term spot market.

6 Puget Sound Energy's proposed role in Wild
7 Horse. PSE intends to own and operate the Wild Horse Wind
8 Farm as a regulated utility asset to serve the common good
9 like all the other generating facilities that PSE owns.
10 PSE intends to purchase the development rights from Zilkha
11 and construct the wind farm after all the permits are
12 approved. Wild Horse will directly connect to Puget Sound
13 Energy's IT transmission line which is the backbone line
14 serving PSE's customers here in Kittitas County. As a
15 regulated utility asset Wild Horse will serve the
16 customers in Kittitas County and the remainder of its
17 service territory in Washington State. PSE plans for Wild
18 Horse to be a long-term supply.

19 What are the benefits? The benefits to
20 Kittitas County is it will provide direct economic
21 benefits to the local community. During the construction
22 phase the project will generate by our estimates more than
23 4.7 million dollars in economic benefits. Its operations
24 will contribute more than 1.4 million dollars a year
25 annually to the local economy. The project will creat new

1 is just a 2.78 million dollar a year fund, will see
2 \$220,000 in new additional funds. That's approximately an
3 eight percent increase in the rural district funds. The
4 other two groups, the mental health, the Veteran's
5 assistance will also see additional funds.

6 Puget Sound Energy is the oldest state
7 utility. It's also the largest. We have over a million
8 electric customers, more than 650,000 gas customers. In
9 the last two years we've added 56,000 new electric
10 customers in a down economy.

11 Puget Sound Energy as a Washington Public
12 Service Company is required to plan and serve for its
13 electric customers. We are legally obligated to meet our
14 customers' demands for energy, and we provide an essential
15 public service to the public. We've been serving Kittitas
16 County since 1923, for over 80 years. We currently serve
17 12,000 residential and business customers in this county.
18 Since I've been living here and working here in the '90s,
19 early '90s, the number of customers have grown by more
20 than 50 percent. These numbers do not include any of the
21 planned growth outside Cle Elum which is planned and
22 permitted to add more than 4,000 new homes and businesses.

23 I have a comment here. As PSE has been the
24 largest taxpayer the entire time since I've been here, we
25 felt a little threatened when some of the other wind

1 projects were being proposed. So we felt that it was
2 important that we take on this project to maintain that
3 position. Wind is the least-cost resource.

4 As you know since a lot of you are familiar
5 with what goes on in Olympia, the UTC requires Puget Sound
6 Energy to do a least-cost plan every two years. This
7 least-cost planning process looks at our load, it looks at
8 our needs, it looks at our resources, and we have to go
9 out for request for proposals for different generation
10 resources. It's a competitive-type process. This is the
11 result of our last least-cost plan and the associated
12 request for proposal.

13 We had over 50 bidders provide projects to
14 Puget Sound Energy from hydro, coal, wind, biomass,
15 manure, and natural gas. The wind projects came in at the
16 lowest cost. These are levelized average costs, and it's
17 approximately five cents per kilowatt hour. The other
18 projects like coal, biomass is very small numbers. The
19 coal is a long lead time. There are projects in Montana
20 and other places that have a lot of transmission that need
21 to be constructed to arrive here. The hydro, the new
22 hydro facilities were in British Columbia. Those are the
23 only projects that were being proposed for that type of
24 renewable resource. And then you can see in the natural
25 gas area what the future prices of natural gas and the

1 levelized cost they're out of the ball park for new
2 resources.

3 This is a generalized map where Puget Sound
4 Energy has its resources to date. We have coal plants in
5 Montana. We have as I mentioned the Hopkins Ridge Project
6 outside of Dayton is closing today, the Wild Horse
7 project, and then this is the general representation of
8 the Mid Columbia contract along the Douglas, Chelan, Grant
9 County. Then we have combustion turbines and smaller
10 hydro facilities at Baker and electron at Snoqualmie
11 Falls. This is a diversity chart of our resources. We
12 have 23 percent coal, 32 percent hydro, 8 percent of
13 contracts, 21 percent of cogeneration. With this project
14 and the Hopkins Ridge Project it would be approximately
15 five percent of wind and 11 percent of natural gas.

16 If you've been following the senate bills
17 and other bills in the house that have been proposed for
18 portfolio, this is our commitment to head toward on a
19 voluntary basis having a renewable mix into our portfolio.
20 It's also like your 401K. We believe that it's a good
21 strategy to diversify. If you look and you've heard
22 tonight about hydro impacts, you can see a huge portion of
23 our asset and generation contracts are hydro based. You
24 can see what happens when the drought would affect that
25 and that that would shrink. It would have to be made up

1 in other areas.

2 Wild Horse is a unique location. It's an
3 ideal location. You've been following in the papers the
4 hearings. This is the project that Puget Sound Energy has
5 identified as having the least impact for our consumers,
6 the folks who we serve in this county. It's been endorsed
7 by the Ellensburg Chamber of Commerce, the Economic
8 Development Group of Kittitas County, the Cascade
9 Irrigation District, and numerous other private citizens.
10 To be honest it's the first time in my career that several
11 regional environmental groups are supporting the
12 development of a new power plant project. It's a
13 different feeling.

14 You've heard from folks that there are
15 impacts with the other projects. This project does not
16 have shadow flicker, noise, ice throw, and many of the
17 turbines are not visible from the valley. It's an ideal
18 project in that regard.

19 Why approve Wild Horse? It's needed to meet
20 our customers' growing demand for electricity. PSE
21 intends to own and operate the Wild Horse project for the
22 long term providing low cost energy for our customers.
23 Wild Horse will provide a new source of tax revenue to
24 support Kittitas County in the state. Wind is the least
25 cost new supply of energy, and we've identified this

1 project is ideal in the county, and it's located in the
2 right place.

3 Puget Sound Energy as a long-time provider
4 of public service in Washington State and in this
5 community asks you to approve this project. Thank you.

6 JUDGE TOREM: Thank you, Mr. Lenz. If you
7 can provide a hard copy of those slides as you're doing
8 that would be great. That way those figures you cited can
9 be provided to the Councilmembers when they get a copy.

10 MR. LENZ: Thank you very much.

11 JUDGE TOREM: Mr. Lenz is the last speaker I
12 was aware of. Is there anybody else in the audience this
13 evening that wishes to make comments to the Council?

14 All right. Seeing none, let me remind you
15 of what happens next. Prior to making a final decision
16 the Council is going to consider all written and oral
17 comments and the oral ones that came in tonight and any
18 written comments that come in and are postmarked by this
19 coming Friday, March 11, 2005.

20 The Applicant and the remaining intervenors
21 in the case have been given a deadline to file their
22 post-hearing briefing, if you will, and any final written
23 write-up to the Council by early April, and the Council is
24 going to be setting a date for its closed deliberations in
25 early to mid April.

1 Hopefully by the end of April, deliberations
 2 will have been completed and a draft on the
 3 recommendations to the Governor will begin and hopefully
 4 be done in early to mid May. At that time the Council
 5 will return to Ellensburg to publicly conclude its
 6 deliberations in an open meeting and explain the
 7 recommendation to the Governor, whether that be for
 8 approval or for denial.
 9 The recommendation will be made in
 10 Ellensburg, and watch the papers for the announcement of
 11 that meeting time and where it will occur.
 12 That's all the information we have at this
 13 time, and that will conclude our evening. We do
 14 appreciate and thank you on behalf of each of the
 15 Councilmembers for coming tonight. The Council does
 16 appreciate the time that each individual citizen in the
 17 local area and those interested in what happens in the
 18 Ellensburg area have taken time from work and families to
 19 be here, listen, and present your own comments tonight.
 20 Again, if you have additional things to put
 21 in writing, pick up these forms on your way out and just
 22 have them postmarked by Friday, so they can be considered.
 23 Thank you. We are adjourned.
 24 (Public Comment Hearing adjourned at 8:41
 25 p.m.)

A F F I D A V I T

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 8 I, Shaun Linse, CCR, Certified Court Reporter,
 9 do hereby certify that the foregoing transcript
 10 prepared under my direction is a true and accurate
 11 record of the proceedings taken on March 8, 2005,
 12 in Ellensburg, Washington.

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Shaun Linse, CCR
 CCR NO. 2029

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