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March 6, 2008

Allen Fiksdal  
Washington State  
Energy Facility Site Evaluation Council  
PO Box 43172  
Olympia, WA 98504-3172

Dear Mr. Fiksdal:

Subject: **REQUEST TO EXTEND PMEC PERMITTING TIMELINE**

Reference: Pacific Mountain Energy Center, Application No. 2006-1

Energy Northwest (EN) submitted its application for site certification of the Pacific Mountain Energy Center (PMEC) on September 12, 2006. On August 29, 2007 EN requested an extension to the one year permitting timeline specified by RCW 80.50.100 (1) and the Energy Facility Siting Evaluation Council (Council) approved the six month extension at the September 11, 2007 meeting.

Council orders 833 and 835 issued near the close of 2007 have dramatically increased the uncertainty for utilities to determine how to best manage their increasing base demand growth. Early stages of geological sequestration research and development along with the recent canceling of the FutureGen initiative by the US Department of Energy have resulted in slow overall progress with national sequestration efforts. In addition, state rulemaking on ESSB 6001, state greenhouse gas activities, and potential federal legislation or rulings do not provide a clear for IGCC thermal power plant development in this region.

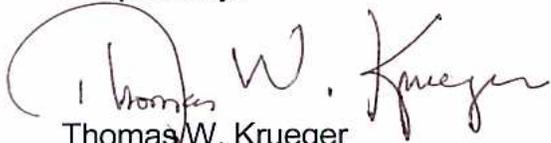
Therefore, EN is seriously considering moving forward with a combined cycle natural gas plant at the PMEC site, but the busbar cost of electricity for this type of resource is expected to be nearly double the costs projected for PMEC, mostly due to the high and volatile cost of natural gas. Utility Investment for this option is not an easy decision. The ability to produce a fuel gas at a stable low, long term, price was a significant advantage for PMEC. The conversion to natural gas eliminates interest from some utilities and extensive evaluation from the others.

**REQUEST TO EXTEND P MEC PERMITTING**

EN is committed to working with the 22 P MEC participants and our member utilities to develop generation resources for supplying reliable, affordable and environmental power. In order to ensure all options for P MEC have been fully evaluated and to allow for the completion of an amended permitting process, EN is requesting an extension to the permitting timeline. Therefore, EN respectfully requests that the Council extend the P MEC permitting timeline for an additional eighteen months to September 11, 2009.

We would appreciate action on this request at the Council's March 11, 2008 meeting. If you have any questions, please contact me at 509.377.4761 or Ted Beatty at 509.372.5531.

Respectfully,

A handwritten signature in black ink, appearing to read "Thomas W. Krueger". The signature is written in a cursive style with a large initial "T" and "K".

Thomas W. Krueger  
Manager, Generation Resource Development