



BRADLEY W. ANDERSEN

Admitted in Washington and Oregon

Direct Line: Vancouver 360-905-1431; Stevenson 509-427-0093

E-Mail: bandersen@schwabe.com

January 27, 2011

C. Robert Wallis
Administrative Law Judge
P.O. Box 43172
Olympia, WA 98504-3172

Re: In the Matter of Application No. 2009-01
Whistling Ridge Energy LLC
Whistling Ridge Energy Project
Our File No.: 115093/179616

Dear Judge Wallis:

Enclosed please find Skamania County Economic Development Council's, Port of Skamania County's, and Skamania County Public Utility District's Closing Argument with regard to the above-referenced matter.

Very truly yours,



Bradley W. Andersen

BWA:tmk

Enclosure

cc (w/encl.): Al Wright
Kyle Crews
Jason S. Spadaro
Timothy L. McMahan, Esq.
Darrel Peoples, Esq.
Erin Anderson, Esq.
H. Bruce Marvin
Tony Usibelli
///
///

January 27, 2011

Page 2

Dorothy H. Jaffe, AAG
Gary K. Kahn, Esq.
Nathan Baker
Kevin Gorman
Tom Drach
J. Richard Aramburu
Robert Wittenberg
Kenneth B. Woodrich, Esq.
Robert Waymire
Peggy Bryan-Miller
John Crumpacker
Chris McCabe
Shawn Cantrell
John McSherry
David Poucher
Michael Canon
Klickitat and Cascades Tribes of the Yakama Nation
Harry Smiskin
Warren Spencer, Jr.
George Colby
Johnson Meninick
Jessica Lally
Susan Drummond, Esq.

For those reasons, I give the following closing argument:

Additional Jobs

While the opponents try to minimize its socio-economic impacts, Whistling Ridge will create over 140 construction jobs and at least 9 permanent maintenance and operation positions.¹ In Skamania County, where unemployment is much higher than the State or National averages, and where a majority of the citizens commute outside the County to work, 9 permanent jobs mean a lot, not to mention the large number of construction jobs that will be created.² These jobs, not to mention the indirect jobs that may be created, will serve to enhance our community.

Increase Tax Revenue

Less than 2% of Skamania County is taxed at full fair market value. The Gifford Pinchot National Forest and Mt. St Helens monument make up more than 80% of the County. And most of the remaining property is either owned by the State or timber companies and therefore are either exempt from taxes or taxed at a substantially reduced rate. This means the local governments and school districts are at a disadvantage to most communities.

Throughout most of Skamania County's history, the fact that most of our land base was national forest or in trust to the Washington State Board of Natural Resources ("Trust Lands") was acceptable because we all benefitted from the timber industry. In addition to a viable and healthy workforce, our local governments and school received adequate funding through the timber payments received from the state and federal governments from logging the public lands. But this all came to a halt in about 1990. And absent the 1990's "Owl Guarantee", and the more

¹ See economist Eric Hovee's testimony and Economic Report.

² While we understand that many of the temporary construction jobs may provide employment for people outside Skamania County, there are many construction workers that live in Skamania County, and in the adjacent communities, that will benefit by having a local project.

recent Secure Rural Schools and Forest Counties Act, payments, Skamania County, the junior taxing districts, and the local schools would be broke.

But, as Commissioner Paul Pearce testified, these federal payments are at risk— Skamania County has been warned that it can no longer rely upon the federal government to bail them out. So we need, now more than ever, to create new and significant sources of tax revenue.

If approved, Whistling Ridge will provide at least some replacement tax revenue. Whistling Ridge will generate approximately \$656,000 a year in additional property taxes,³ not to mention the indirect sales and other taxes that will surely result. We therefore ask that you approve the project so that we can continue to provide essential services to our citizens, educate our kids, and save local government jobs.

Back-Up/Emergency Electricity Source

The Skamania County PUD is responsible to provide electrical services to most of Skamania County's residents--it's the only show in town. The PUD receives all of its power from the BPA. And as Manager Bob Wittenberg explained, the PUD does not currently have a back-up or emergency plan if the main line was to fail.

While Underwood presently has back-up power that runs through Conduit Dam, the rest of the County (North Bonneville, Stevenson, Carson, Stabler, and Home Valley) are not so lucky. And if Conduit Dam is removed, which is set to happen in 2012, even Underwood will be without a back-up plan.

As Mr. Wittenberg testified, no one knows when the main BPA line from the west may fail. And one need only look at a geological map of the County, or look at the County's history

³ The EDC's economic consultant Eric Hovee provides these estimates in his Report.

of slides and other earth movement, to realize that we are at great risk of losing our primary source of power from the east. It is just a matter of time.

Fortunately, Whistling Ridge provides a solution to this problem. As Mr. Wittenberg stated, the Project includes plans to construct a substation that will include a “ring bus.” The PUD can tap into one side of this “bus” to provide its customers an emergency/back-up line. While it’s technically possible⁴ for BPA to construct a transformer to provide back-up service, Mr. Wittenberg said this was highly unlikely because it would cost the BPA “millions of dollars.” It is therefore undisputed that the Whistling Ridge Project provides the most feasible solution for providing emergency/back-up service to the PUD and its customers.

Whistling Ridge Will Help Promote Skamania County

Let’s face it, in this post-logging era, Skamania County needs to attract new businesses that will provide good jobs and an expanded tax base. While many factors exist, companies tend, in these modern times, to want to locate in communities that appear to be progressive and socially conscious. Everyone seems committed to eliminating our dependence on oil and so alternative energy is huge. And wind power is considered a clean and sought-after form of energy---“green.” Similar to when our grandparents invested “new deal” money and resources to harness the Columbia River, the gorge winds have emerged as an important “clean” energy source that should be tapped. Skamania County wants to be a part of this progress and to do its part to support this energy source—we want to be viewed as socially conscious and committed to an enlightened business environment. And we know that companies will view Whistling Ridge as a sign that our community is on the cutting edge, which could mean they want to site their

⁴ During Mr. Wittenberg’s testimony, Commissioner Jim Luce asked whether BPA could provide the back-up transformer. While saying “yes,” Mr. Wittenberg stated he understood it would cost “millions of dollars” and that he felt it highly unlikely that BPA would be willing to build one.

new businesses in our region. So Whistling Ridge, in addition to its direct economic benefits, will help put us on the map for future business development.

Don't Expand The Scenic Regulations Beyond Its Intended Boundaries

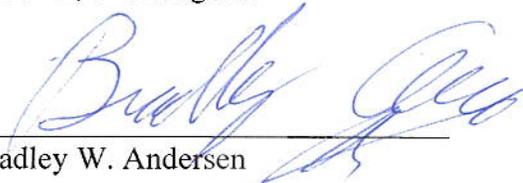
Let me turn to our final argument, more properly described as a major concern. As stated in our opening statement, we are concerned with the opponents' attempt to extend the Gorge Act's (16 USC 544) very restrictive land-use regulations beyond its intended boundaries. As you know, the Gorge Act specifically states that nothing in the Act shall create buffers beyond the Scenic Area Boundaries ("SMA" and "GMA"). And while the Friends of the Gorge give lip service to this language, the truth is that they are doing everything they can to extend the Act beyond those boundaries created by Congress. Whether it's the casino in Cascade Locks, air flowing in from eastern Oregon, or the wind projects near Goldendale, the Friends are doing everything they can to expand the reach of the Gorge Act's regulations.

We realize the Friends (who have never shown much support for the second purpose of the Act---economic development) must satisfy their urban constituents/contributors by trying to push the envelope. But their campaign to expand the boundaries must be nipped in the bud or we risk future businesses from wanting to "mess with" trying to establish new businesses in the Gorge.⁵ If the Friends can use the Gorge Act to establish scenic guidelines outside the Scenic Area, what will stop the Friends from trying to use it to regulate activities within the urban areas, or beyond? We therefore need this Commission to plainly and unequivocally reject the opponents' efforts to directly or indirectly extend the scenic regulations beyond the geographical boundaries that Congress set when it passed the Gorge Act.

⁵ The fact that the Gorge Commission has not intervened is, I would submit, telling on this issue.

Thanks for considering our position and we ask that you approve the Whistling Ridge Project.

SIGNED this 27th day of January, 2011 at Vancouver, Washington.


Bradley W. Andersen