

KITTITAS VALLEY WIND POWER PROJECT

EXECUTIVE SUMMARY

December 29, 2006

Sagebrush Power Partners, LLC ("Applicant"), is requesting the Kittitas County Planning Commission and the Board of County Commissioners approve the Kittitas Valley Wind Power Project Development Activities Application. This application, in response to comments made by the Board of County Commissioners, the Planning Commission, and the general public, has undergone extensive modification from the original proposal as discussed below and as documented in the related materials.

The Kittitas Valley Wind Power Project (KV) is a utility-scale wind energy facility proposed to be located on open ridge tops between Ellensburg and Cle Elum at a site approximately 12 miles northwest of the City of Ellensburg. The Project area consists of approximately 6,000 acres of contiguous, adjoining parcels of open range land located in areas that are zoned as Forest and Range and Ag-20. Approximately 3,800 acres within the Project area is privately owned property and the remainder is state owned land administered by the Department of Natural Resources (DNR). The Project area will contain up to 80 wind turbine generators, an electrical collection system, up to two substations, a Project access road system, permanent meteorological towers, communications systems and operation and maintenance facilities to serve long-term Project needs. A total of only approximately 90 acres within the 6,000 acre Project area will be permanently occupied by the aforementioned Project facilities.

The Development Activities Application submitted to Kittitas County Community Development Services on October 14, 2005 and accepted as complete by Community Development Services on December 2, 2005 requests the following related actions, as provided for in the County Code, be approved by Kittitas County:

- Amendment of the Kittitas County Comprehensive Plan to designate the 6,000 acre Project Area as a Wind Farm Resource Overlay District "sub-area" pursuant to KCC 15B.03 and 17.61A, which can be accomplished by adoption of a sub-area plan for the wind farm site.
- Zoning reclassification of the Project Area as a Wind Farm Resource Overlay Zoning District in conformance with the provisions of the Kittitas County Zoning Code, Section 17.61A and 17.98
- Approval of a Wind Farm Resource Development Permit for the proposal (providing approval of the Development Agreement and a certification that the Project is consistent with the County Comprehensive Plan and all development regulations).
- Adoption of a Development Agreement, pursuant to RCW 36.70B.170 and Chapter 15A.11 of the Kittitas County Code, setting forth the standards

and conditions of development of the Project, including measures required to mitigate significant adverse environmental impacts identified in the Draft EIS for the Project.

The Project area consists of 13 property owners. The property owners have been personally contacted and the Project discussed in full detail. All property owners have agreed that the KV Project is desirable and will provide tangible, long term economic benefits, and have signed agreements with the Applicant to allow construction of the Project on their property. In addition to maintaining their current rural life style, the KV Project will provide additional income to enhance their quality of life.

In an effort to further mitigate and minimize potential impacts, the KV Project has been modified to address concerns expressed by the Board of County Commissioners, the Planning Commission, and the general public, including neighboring property owners. The number of turbine generators has been significantly reduced (from 150 to 80) to minimize visual impacts in sensitive areas. Daytime lights have been eliminated and a significant reduction in nighttime lighting has been incorporated, keeping within the FAA guidelines. The layout of the wind turbines within the Project area has been revised to increase property line set backs from 50 feet to 541 feet, beyond the tip of the blade at its closest point to the property line. EFSEC, in its December 2005 Addendum to Draft EIS, performed an extensive review of the proposed changes and generally found that the revised Project "...does not cause significant adverse environmental impacts, nor does it change the significance of any environmental impacts that have been identified in the Draft EIS." More specifically, the EFSEC addendum states that the revised Project "...will have less of an impact on visual resources particularly for viewpoints located near the north and northwestern portions of the project area."

During the Joint Public Hearing before the Board of County Commissioners and the Planning Commission, the Applicant will present experts on wind power projects. The topics these experts will cover in detail include:

Dave Baker	Noise Analysis
Michael Bernay	Wind Project Risks from an Insurance perspective
Barton DeLacy	Property Values
Wally Erickson	Wildlife Analysis
Daniel Kammen	Public Safety/Risk Analysis
Tom Priestley	Aesthetics Analysis
Andrew Young	Shadow Flicker Analysis

Kittitas County is currently experiencing a tremendous amount of residential growth. With this type of growth, additional public and private services and utilities are required. Wind power projects are one of the few kinds of developments that preserve traditional ranching and agriculture practices rather

than displace them, a recurring goal in the County's Comprehensive Plan. In Kittitas County, as well as the broader region, the need for energy is growing. The Kittitas Valley Wind Power Project provides the opportunity to generate clean renewable energy necessary to support this growth, generate revenue for the various taxing districts within the county, while preserving traditional ranching and agriculture practices at the Project site.

The Public Hearing presentation will provide confirmation that the Kittitas Valley Wind Power Project conforms to the Kittitas County Code and all laws regulating such operations. On behalf of the Project area property owners and for the benefit of consumers of electricity both within the County and across the region, we at Sagebrush Power Partners respectfully request that you approve this application to generate clean renewable energy within Kittitas County.

2. Consistency with Comprehensive Plan Policies

In order to obtain a Subarea Plan Amendment and Wind Farm Resource Overlay Rezone, the Applicant is required to demonstrate general consistency with the County's Comprehensive Plan policies. To the extent the Applicant must also demonstrate "changed circumstances," that requirement is addressed in Section 3 of these Findings of Compliance and Conclusions, "Compliance with Zoning Code Provisions".

2.1 Findings of Consistency with Comprehensive Plan Policies

Four of the County's six comprehensive plan elements – Land Use, Housing, Utilities, and Rural Lands are relevant to and in concert with the Kittitas Valley Wind Power Project proposal and are fully discussed below. It is worth noting that of the County's approximately 1.5 million acres, 30% -- or 446,000 acres – is identified as pasture and unimproved grazing. The Kittitas Valley Wind Power Project is proposed on 6,000 of those acres, representing 1% of the pasture and unimproved grazing area and 0.4% of the total County. The actual area used for construction of project improvements, approximately 90 acres, is much smaller than the total project site. Specifically, within the 6,000 acre project site and subarea plan boundary, only 90 acres will be removed from agricultural use (and will be devoted to natural resource (wind energy) development), leaving over 5900 acres available for agricultural and natural resource management and development use. The Project will enable preservation of a 6,000 acre area of rural Kittitas County where the Project will provide financial incentives for rural landowners to maintain sustainable agricultural and natural resource management practices, uses and traditions, in accordance with Comprehensive Plan policies, discussed below.

2.2 Land Use Element

2.2.1 General Planning Goals and Policies

The Project conforms to the General Planning Goals, Objectives and Policies defined in 2.2(A) in the following ways:

GPO 2.1 The maintenance and enhancement of Kittitas County's natural resource industry base including but not limited to productive timber, agriculture, mineral and energy resources.

Finding of Consistency: Windpower development as seen in the Kittitas Valley Wind Power Project is clearly an enhancement of the energy portion of the County's natural resource industry, a status it achieves while also assisting to maintain the agriculture sector in the Project's vicinity which is planned for rural uses, and zoned Agriculture-20 (A-20) and Forest & Range (FR).

GPO 2.2 Diversified economic development providing broader employment opportunities

Finding of Consistency: Windpower in general and the Kittitas Valley Wind Power Project in particular represent economic diversification. Construction of the project is expected to create up to 253 temporary jobs during construction and 12-20 permanent, family wage new jobs (DEIS page 3.7-8).. The Project would also lower the effective property tax rates on landowners, a further benefit to the agriculture community. Windpower development of agricultural lands will greatly aid agricultural landowners, helping to sustain long-term agricultural use of the properties, helping to insulate rural landowners from economic cycles typical in the rural economy.

GPO 2.3 The encouragement of urban growth and development to those areas where land capability, public roads and services can support such growth

Finding of Consistency: The Project area and vicinity are planned and zoned for forest and range and agricultural uses, not residential development. Plan policies and the zoning code specifically prohibit sprawling residential development in this area of the County, confirming that it is the County's GMA-based policy to avoid extension of urban services in the area. The Project will provide economic development without imposing demands on public utilities and services.

GPO 2.5 Kittitas County should encourage residential and economic growth that will minimize the costs of providing public utilities and services.

Finding of Consistency: As referenced in the Findings related to GPO 2.3, the Kittitas Valley Wind Power Project will not impose infrastructure costs on the County, while tax benefits will be significant, unlike residential development in the project area that would create substantial infrastructure costs for the County. (See Exhibit 9a and 9b).

GPO 2.6 Kittitas County will maintain a flexible balance of land uses.

Finding of Consistency: With only 0.4% of the County's total acreage affected by the 6,000 acre Project area, and fraction of that (90 acres) occupied by Project improvements, ample opportunity remains for flexibly balancing land use countywide. Moreover, by providing economic incentives for rural landowners within 6,000 acres of the A-20 and FR zones to sustain rural agricultural and natural resource management and development land uses, the Project will help reinforce the County's rural land use policies and help to maintain the Comprehensive Plan's flexible balancing of uses.

GPO 2.7 Kittitas County will cooperate with the private sector and local communities in actively improving conditions for economic growth and development

Finding of Consistency: The Project is a rural-friendly, agriculture-friendly private sector development, enabling sustainable agricultural and natural resource management uses in the vicinity. The Project provides a unique opportunity for economic growth and development in a rural area, without compromising the County's GMA-based

Comprehensive Plan and zoning code policies and requirements for the protection and preservation of agricultural and natural resource-based land uses, practices and traditions.

GPO 2.11A Much of Kittitas County receives little natural precipitation and is highly susceptible to fire hazard during much of the year. Meanwhile, more people are moving to previously uninhabited forest and rural areas. As this number increases, the need to provide adequate and efficient fire services to these areas also increases.

Finding of Consistency: The Project's design provides many benefits to fire districts concerned about wildland fire management, including development of access roads that serve as fire breaks; providing on-site equipment that supplements the fire district's own resources; and controlling site access and reducing the chance of fire. The Applicant has already entered into a fire services agreement with FD #1 that will provide fire protection for the life of the Project, including areas which currently have no fire protection whatsoever. In addition, under the terms of the Fire Services Agreement, the Applicant will purchase a new brush rig to allow the fire district to better fight fires in the area.

2.2.2 Private Property and Water Rights

The Project conforms to the Private Property and Water Rights Planning Goals, Objectives and Policies defined in 2.2(B) in the following ways:

GPO 2.12 – 2.14

GPO 2.12 Kittitas County will administer this Chapter in accordance with the United States and State of Washington constitutional provisions for the protection of private property rights and provision of due process. As set forth in WAC 365-195-720 [Procedural Criteria], the county in administering this ordinance, "should refer to all sources at all levels of government, including federal and state constitutions, federal and state statutes, and judicial interpretations thereof."

GPO 2.13 Should any provisions of this ordinance be in violation of constitutional requirements or of recent court decisions, the Planning Director will advise the Board of the provisions in violation, and whether the violation is a requirement of the State of Washington or a regulation or policy of the county. If the violation is a requirement of the state, the Washington State Attorney General's Office will be advised. If the violation is a county requirement, the Board of County Commissioners will schedule a public meeting to consider removing or amending such section or policy.

GPO 2.14 Kittitas County will place a high priority in the Kittitas County Comprehensive Plan the following state goal:

RCW 36.70A.020(6) Property Rights. Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.

Finding of Consistency: The Project is proposed in an area that the County has zoned and planned for rural land uses. The Applicant is in partnership, through its land agreements, with private and public property owners comprising the underlying landowners. The Project will not negatively affect either property values or land sales adjacent to the site. (See Report of DeLacy, Exhibit 10).

The County places a high priority on private property rights. This includes the rights of rural landowners to continue agricultural and natural resource management and development of lands planned and zoned for rural land uses. Wind energy development is a key strategy to enable and encourage ongoing rural land uses, and to provide incentives for rural landowners not to convert their lands to sprawling residential uses. Property rights considerations are a strong argument for approving this Project. The Project's landowners – including long-time residents interested in continuing family ranching and other agricultural and natural resource management and development uses – have partnered with the proposed Project to enable sustainable rural land uses in a large rural area of Kittitas County.

As with other infrastructure costs, all of which are borne by the Applicant, the proposed project is one of the few economic development activities that has negligible water use requirements.

2.2.3 Shoreline Land Use

2.3(D) Shoreline Land Use

Finding of Consistency: The Project has no shoreline issues under 2.3(D).

2.2.4 Critical Areas

The Project conforms to the Critical Areas Planning Goals, Objectives and Policies defined in 2.2(E) in the following ways:

GPO 2.54 – 2.66 Wetlands

Finding of Consistency: The Project will not impact wetlands.

GPO 2.67 – 2.70 Aquifers

Finding of Consistency: The Project will not impact aquifers.

GPO 2.71 – 2.75 Frequently Flooded Areas

Finding of Consistency: The Project will not cause or exacerbate flooding.

GPO 2.76 – 2 85 Geologically Hazardous Areas

Finding of Consistency: As confirmed in the Addendum to the DEIS, the Project is engineered to take into account all geological issues.

GPO 2.86 – 2 91 Fish and Wildlife Habitat Conservation Areas

Finding of Consistency: The Washington Department of Fish and Wildlife (WDFW) position on the Project reflects the Project's compliance with WDFW's wind power guidelines and its mitigation of habitat concerns.

2.2.5 Ground Water

2.2F Ground Water

Finding of Consistency: The Project will not have ground water impacts.

2.2.6 Kittitas County Airport

The Project conforms to the Kittitas County Airport Planning Goals, Objectives and Policies defined in 2.2(G) in the following ways:

Finding of Consistency: The project has been thoroughly reviewed for compliance with FAA Part 77 by the FAA.

GPO 2.118 Encourage development projects whose outcome will benefit the significant conservation of farmlands.

Finding of Consistency: The Project will promote both economic development and agricultural land conservation. It will enable the conservation of a 6,000 acre area of Kittitas County, providing incentives for ongoing, sustainable agricultural and natural resource management uses.

GPO 2.122 Look into additional tax incentives to retain productive agricultural lands.

Finding of Consistency: Royalty payments from the Project to the landowners are a non-tax incentive to retain productive agriculture use. This Plan policy is met without burden to the taxpayers of Kittitas County – in fact, taxpayers and the County as a whole will significantly benefit from the Project.

2.2.7 Land Use Plan

The Project conforms to the Resource Lands Goals, Objectives and Policies defined in 2.3(C) in the following ways:

GPO 2.110 Oppose laws and regulations which restrict agriculture, and support laws and regulations which enhance agriculture.

Finding of Consistency: The Project's royalty and other payments to landowners and the property tax payments to the County and other taxing districts which reduce the tax burden on landowners will greatly enhance the economic viability of ranching and other agriculture operations. Implementation of the Wind Farm Overlay Ordinance within the proposed Kittitas Valley Wind Power Project Subarea Plan boundary would signal the County's support for laws and regulations which enhance agriculture and other rural uses, in accordance with Comprehensive Plan policies. The Project area is planned for and zoned for agricultural, ranching and natural resource management and development activities. Approval of the Project will reinforce the County's commitment to its GMA-based land use planning goals and policies, will enable landowners within a 6,000-acre rural area to maintain and preserve rural land uses, and will implement policies and regulations intended to protect rural land uses, and to discourage residential sprawl.

GPO 2 114 Look at solutions to the problems of needing to sell house lots without selling farm ground

Finding of Consistency: The Project turns the decision to sell farm ground for housing into a discretionary act on the part of the landowner, rather than an act of economic necessity, because of the combined benefits of Project payments to landowners and the reduced property tax burden. The Project will provide critical support to the agricultural community, reinforcing agricultural and natural resource management land uses and rural traditions.

GPO 2 114B Economically productive farming should be promoted and protected. Commercial agricultural lands includes those lands that have the high probability of an adequate and dependable water supply, are economically productive, and meet the definition of "Prime Farmland" as defined under 7 CFR Chapter VI Part 657.5.

Finding of Consistency: The Project would be developed on non-irrigated land, most of which is used for cattle grazing. While this land does not meet the definition of Prime Farmland, its ongoing use for cattle operations will constitute a continuation of a productive agricultural or farming use. Removal of only approximately 90 acres of rangeland required for the overall Project footprint would not significantly affect the productivity of cattle grazing operations on this land, and the Project will enable sustained cattle operations within the Project boundaries. Therefore, the Project is consistent with this land use policy.

GPO 2.118 Encourage development projects whose outcome will be the significant conservation of farmlands.

Finding of Consistency: The Project will encourage both economic development opportunities and agricultural/farmland and natural resource management land conservation.

GPO 2.122 Look into additional tax incentives to retain productive agricultural lands.

Finding of Consistency: Royalty payments from the Project to the landowner are a non-tax incentive to retain productive agriculture use.

2.3 Housing Element

Many of the County's housing goals seem to seek a balance between preserving the County's rural character; minimizing infrastructure costs borne by the County; and supporting economic opportunities. Approving the Kittitas Valley Wind Power Project would advance many of those housing goals. The Project conforms to the Housing Goals, Objectives and Policies defined in 2.3(C) in the following ways:

GPO 3.5 Encourage residential development close to employment opportunities and needed services to reduce vehicular traffic and related air quality problems.

Encouraging residential development close to employment opportunities suggests that the Project site should not be a focus for residential development given its relatively remote location.

GPO 3.6 Provide for future populations while protecting individual property rights

As discussed above, the rural landowners who are partnering with the Applicant seek the protection of their rights to use their lands as planned for and zoned by the County in compliance with the GMA, without infringement by incompatible residential development.

2.4 Capital Facilities Element

As a utility facility, the Kittitas Valley Wind Power Project is in conformance with this aspect of the Capital Facilities element:

GPO 5.110B Electric and natural gas transmission and distribution facilities may be sited within and through areas of Kittitas County both inside and outside of municipal boundaries, UGAs, UGNs, Master Planned Resorts, and Fully Contained Communities, including to and through rural areas of Kittitas County

Finding of Consistency: To the extent that the underground electrical lines and overhead electrical collection lines, which are essential elements of the Project, are considered electric transmission and/or distribution facilities under the Comprehensive Plan, this Policy allows their placement in rural areas of the County.

2.5 Utilities Element

Finding of Consistency: Since wind farms and other electrical generation facilities are considered to be utility facilities, not industrial uses, the relationship of the Project to industrial land use policies in the Comprehensive Plan is not addressed.

The Washington Utilities and Transportation Commission defines electricity, along with standard telephone, as a critical service which utilities must extend or add to as needed. While the WUTC provides the principal regulatory role, the Growth Management Act promotes coordination and cooperation between jurisdictions and utility providers. As stated in the Comprehensive Plan, power used by Kittitas County residents is currently imported from other areas. It is the County's relatively unique combination of existing transmission and strong, predictable winds that attract wind project investment and offers the potential to turn the County into a net exporter of electricity to the region.

The Utilities section of the Comprehensive Plan identifies the general location and capacity of all existing and proposed utilities, including but not limited to, electrical lines, telecommunication lines, and natural gas lines. Generally, the goals, policies, and objectives seek to promote the maintenance of current information on existing and proposed facilities; plan for expansion or improvement of utility systems; encourage coordination between jurisdictions and utility providers; and ensure the proper placement and appropriateness of utility siting.

The Project would be located within the Rural Area, which is consistent with the Plan's policies, and would produce electricity to meet regional energy demands. A number of utilities in the region, including Puget Sound Energy, Inc. ("PSE"), Avista, and PacifiCorp, have issued requests for proposals for renewable energy resources ("RFPs") to which the Applicant has responded or intends to respond with proposals for the Project. Chapter 1 of the Draft EIS also discusses the plans of these utility companies for meeting the region's projected energy demand.

The proposed Project would connect to existing electric transmission lines; proximity to a transmission line is a key criterion for siting wind energy facilities (see the discussion of alternative sites in Chapter 2 of the Draft EIS). Electricity generated by wind turbines would be collected through cables that run above ground and underground and feed all of the power to the step-up substation(s) in the main Project area. The Project will require only 2 miles of overhead 34.5kV electrical collection lines to collect all of the power from the turbines which will terminate at the main substation(s) as shown in Exhibit 2. The underground collector cables that connect each wind turbine and strings of turbines will run within the Project area at 34.5 kilovolts or lower. The Project plans are

consistent with the policies that promote coordination with utility providers, and the location of electric transmission lines in rural areas away from developed urban areas.

GPO 6.7 Decisions made by Kittitas County regarding utility facilities will be made in a manner consistent with and complementary to regional demands and resources

Finding of Consistency: The proposed Project would draw upon a natural renewable county resource (wind) to provide energy to meet the regional renewable power demands. Therefore, development of the Project would be consistent with, and complementary to, regional utility demands and local resources.

GPO 6.8 Additions to and improvements of utilities facilities will be allowed to occur at a time and in a manner sufficient to serve growth.

Finding of Consistency: As discussed above, the Project is desirable to the public convenience to serve electrical power load growth of a number of regional utilities.

GPO 6.9 Process permits and approvals for all utility facilities in a fair and timely manner, and in accordance with development regulations that ensure predictability and project concurrency

Finding of Consistency: The proposed Project would be developed in accordance with all local, regional, and state wind power development regulations and would therefore be consistent with this policy.

GPO 6.10 Community input should be solicited prior to county approval of utility facilities which may significantly impact the surrounding community

Finding of Consistency: The County, EFSEC and the Project developer have solicited extensive community input on the proposed Project over a period of three years.

GPO 6.18 Decisions made regarding utilities facilities should be consistent with and complementary to regional demand and resources and should reinforce an interconnected regional distribution network.

Finding of Consistency: This policy is similar to GPO 6.7. The proposed Project would significantly reinforce an interconnected regional power transmission and distribution network by connecting to Puget Sound Energy's (PSE) and/or Bonneville Power Administration's (BPA) electric power grid. Therefore, the Project is consistent with this policy.

GPO 6.21 Avoid, where possible, routing major electric transmission lines above 55 kV through urban areas.

Finding of Consistency: The Project will require only 2 miles of overhead 34.5kV electrical collection lines to collect all of the power from the turbines which will terminate at the main substation(s) as shown in Exhibit 2. The underground collector cables that connect each wind turbine and strings of turbines will run within the Project area at 34.5 kilovolts or lower. Since the overhead electrical collection lines and underground collector cables will be less than 55 kilovolts and will not run through urban areas, the Project is consistent with this policy.

GPO 6 32 Electric and natural gas transmission and distribution facilities may be sited within and through areas of Kittitas County both inside and outside of municipal boundaries, UGAs, UGNs, Master Planned Resorts, and Fully Contained Communities, including to and through rural areas of Kittitas County.

Finding of Consistency: This policy is identical to Policy GPO 5.11B and has been addressed previously.

The Comprehensive Plan was amended in December 2002 to include a provision specifically for wind farms, as follows:

GPO 6 34 Wind farms may only be located in areas designated as Wind Farm Resource overlay districts in the Comprehensive Plan. Such Wind Farm Resource overlay districts need not be designated as Major Industrial Developments under Chapter 2 5 of the Comprehensive Plan.

Finding of Consistency: This policy requires that as a precondition of approval, the area where the Project is proposed must be designated a Wind Farm Resource overlay district. Such a designation requires the Applicant to seek a subarea comprehensive plan amendment. A docketing application for a comprehensive plan amendment has been submitted along with a request for rezone in the Development Activities Application submitted to the County and deemed complete on October 17, 2005 by the County staff. It is anticipated that the County will process both requests concurrently, pursuant to the requirements of Kittitas County Code Chapter 17.61A.040.

2.6 Rural Lands Element

Chapter 8, Section 8.5, of the Comprehensive Plan states, "Rural lands in Kittitas County are now, and have historically been, a mix of resource lands, rural neighborhoods, and varied developments scattered throughout the county." The Plan's goals, policies, and objectives (GPOs) for land uses on rural lands are "established in an attempt to prevent sprawl, direct growth toward the Urban Growth Areas and Nodes, provide for a variety of densities and uses, respect private property rights, provide for residences, recreation, and economic development opportunities, support farming, forestry and mining activities, show concern for shorelines, critical areas, habitat, scenic areas, and open space while keeping with good governance and the wishes of the people of Kittitas County and to comply with the GMA and other planning mandates." As documented below, by

showing consistency with the specific GPOs implementing this general policy statement, the Project meets these policy objectives.

The following GPOs apply to the development of wind resource farms:

2.6.1 General Finding of Consistency with Rural Lands Policies

The proposed Project would be consistent with rural lands policies that promote continued diversity in rural uses and densities, conservation of rural lands, and development of resource-based industries and processing.

GPO 8.5 Kittitas County recognizes and agrees with the need for continued diversity in densities and uses on Rural Lands.

Finding of Consistency: The Project will not change densities on Rural Lands. It will not change or preclude the existing open space, agricultural uses or natural resource management, development, extraction and production uses. It will, however, introduce a clean, natural resource-based land use in a rural location. By the introduction of this use in this area of the County, the Kittitas Valley Project will help to diversify the County's rural economy, and strengthen and enable sustained rural land uses within the 6,000 acre Project area.

GPO 8 7 Private owners should not be expected to provide public benefits without just compensation If the citizens desire open space, or habitat or scenic vistas that would require a sacrifice by the landowner or homeowner, all citizens should be prepared to shoulder their share of the sacrifice.

Finding of Consistency: The Project will be located primarily on private open rangeland to be leased or purchased by the Applicant. Parts of the Project are proposed on land owned by the Washington Department of Natural Resources (DNR). Exhibits 3b and 3c of the Development Activities Application of October 14, 2004 contain Landowner "Consent to Application" forms signed and executed by all landowners involved with proposed Project facilities on their property. This comprehensive plan policy suggests that landowners should not be expected to forgo the opportunity to develop their properties because of potential subjective visual effects within a limited area of the County. Under this Plan Policy, such preservation of "scenic vistas" would be considered for "public benefit." The applicability of this Policy is particularly pronounced in this area of the County, where the rural landowners have a right to rely on the County's GMA-based planning and zoning, and have a right to expect that the County will enable and encourage ongoing, sustained rural land uses, without infringement by incompatible residential sprawl.

GPO 8 9 Projects or developments, which result in the significant conservation of rural lands or rural character, will be encouraged.

Finding of Consistency: The Project is compatible with traditional rural land uses and is an alternative to the development of residential subdivisions or other uses which do not preserve open space or encourage rural land conservation. The Project will provide significant economic incentives for ongoing rural/agricultural land uses. Through economic incentives to participating landowners, the KV Project will effectively preserve a 6,000 acre area for rural uses and rural character, fulfilling the promise of this Plan Policy.

GPO 8.11 Existing and traditional uses should be protected and supported while allowing as much as possible for diversity, progress, experimentation, development, and choice in keeping with the retention of Rural Lands.

Finding of Consistency: Traditionally, the Project area and surrounding lands have been used for cattle grazing, recreation, hunting and natural resource development, extraction and production, all of which are compatible with the Project. Land uses of the area surrounding the Project are illustrated on a map contained in Exhibit 4. Generation of electricity using wind power is a relatively new, rural land use which generates revenues to landowners and the public through taxes and royalty payments to state agencies (WDNR). In an area such as the Project site, this use is compatible with the traditional land uses, enabling the lands to retain their rural character, as opposed to residential development. The development of the Property fulfills the Plan Goal of “*allowing as much as possible for diversity, progress, experimentation, development, and choice in keeping with the retention of Rural Land.*” In the Northwest, wind energy development is a relatively new rural, natural resource-based land use. Throughout the Northwest, wind energy generation has proved itself as a highly successful, progressive means of diversifying and developing rural natural resource industries and economies, fully compatible with ongoing cattle and other agricultural operations. It is a key choice in retaining rural land uses and traditions.

GPO 8.24 Resource activities performed in accordance with county, state and federal laws should not be subject to actions as public nuisances.

Finding of Consistency: The proposed Project, to the extent it is a “resource activity” because it uses the area’s wind resource, would be constructed and operated in accordance with all county, state, and federal laws, and thus is consistent with this policy.

GPO 8.42 The development of resource based industries and processing should be encouraged.

Finding of Consistency: Wind energy production is a type of resource-based industry in that it uses a natural renewable resource, the wind. As stated above, the proposed Project is consistent with this policy encouraging such industries.

GPO 8.62 Habitat and scenic areas are public benefits that must be provided and financed by the public at large, not at the expense of individual landowners and homeowners.

Finding of Consistency: This policy is similar to GPO 8.7, and implies that landowners should not be expected to forgo the opportunity to develop wind generation on their properties due to potential, subjective visual effects.

“Other Business Uses” or Rural Lands

The Comprehensive Plan, page 183, Paragraph 8.5(D), “Other Business Uses,” states that supplemental income from “outside sources” and other natural resource operation uses are necessary in rural areas for the support and continuation of natural resource activities and operations:

“The economy of our rural community has traditionally been based on natural resource activities and Kittitas County encourages and supports their continuation in Rural Lands... Economically viable farming and logging may occur with or beyond the state designated areas but more and more it is necessary to supplement income from outside sources in order to support natural resource operations. Other businesses and economic growth can be realized without sacrificing our rural character ”

Finding of Consistency: This Policy is precisely on point in establishing a fundamental planning foundation for the approval of the KV Project. The proposed Project is an economically viable facility which converts a renewable natural resource, the wind, into much needed and desired electrical power while preserving the rural character of a large land area consisting of approximately 6,000 acres. Within this Rural Lands area of the County, rural landowners who have struggled to maintain their rural traditions and uses, will be provided with a substantial incentive for ongoing, sustainable natural resource use of their lands. The County’s support for the KV Project will enable “continuation” of natural resource activities on Rural Lands designated for natural resource management and development. For this reason, the Project is consistent with, and implements these provisions in the County Comprehensive Plan.

2.7 Conclusions of Law Regarding Consistency with Comprehensive Plan Policies

A. Based upon the Findings of Consistency, the BOCC concludes that the Wind Farm Resource Sub Area Plan will be consistent with the overall policies of the County’s Comprehensive Plan, as well as the specifically applicable GPOs, including the Land Use, Capital Facilities, Utility, and Rural Lands Policies. In particular, at the proposed Project site, located within an area planned, zoned and used for cattle operations, agricultural, natural resource management, development, extraction and production, and forest/range uses, the Project will provide tangible benefits to the rural community, including economic diversification and a significant addition to the property tax base and creation of new jobs.

B. Based upon the Project's consistency with the GPOs, the BOCC concludes that the Project is appropriately proposed in an area of the County that is suitable for designation of a Wind Farm Overlay, and that the Comprehensive Plan should be amended to reflect this designation.

C. Due to the Project's consistency with the County's GPOs, the BOCC concludes that criteria requiring that the conditional use permits, the sub-area plan amendment and rezone be consistent with the Comprehensive Plan are satisfied.

3. Compliance with Zoning Code Provisions

The Zoning Code implements the Comprehensive Plan and regulates the use and development of all property within the unincorporated area of Kittitas County. The KV Project site is located within Kittitas County's designated Rural Area, in areas zoned Agriculture-20 ("A-20") and Forest & Range ("FR"). Wind farms are an allowed use within these rural zones through application of the County's Wind Farm Resource Overlay Zone, modification of the Comprehensive Plan Land Use map, and execution of a development agreement (KCC Chapter 17.61A). Because Chapter 17.61A technically requires a "rezone" to implement the overlay zone, it is possible that an Applicant must also satisfy the criteria in KCC Chapter 17.98.020E.¹

The overlay zone permits wind energy facilities in addition to all uses permitted in the underlying zoning classification; it does not change the underlying land use or zoning. The underlying zoning designations are explicitly intended to protect the rights of landowners engaged in agriculture and natural resource development and production activities, and to prohibit the encroachment of nonagricultural land uses such as sprawling residential uses, that impair farming, ranching and other natural resource management, development and production uses.

Coupled with the agricultural and natural resource management zoning designations, the intent of the Kittitas County Code's wind farm provisions is to provide for the recognition and designation of properties located in rural areas that are, as a matter of County legislative policy and enactment, suitable for wind energy production, while protecting the health, welfare, safety and quality of life of the general public and ensure that the Project is compatible with land uses in the vicinity. As a matter of policy, the County has determined that the A-20 and FR zones are generally suitable for wind energy facilities. The Kittitas County zoning code defines the purpose and intent of the underlying zoning districts as follows:

Chapter 17.29

A-20 - AGRICULTURAL ZONE

17.29.010 Purpose and intent.

The agricultural (A-20) zone is an area wherein farming, ranching and rural life styles are dominant characteristics. *The intent of this zoning classification is to preserve fertile farmland from encroachment by nonagricultural land uses; and*

¹ In the Applicant's view, the implementation of an "overlay" zone is legally akin to approval of a planned unit development within a zoning district where planned unit developments are allowed. The criteria are typically those relevant to the particular overlay, *not* traditional rezone criteria. This is particularly true in situations such as here, where the use does not, harm or impair underlying permitted rural land uses. As discussed below, wind farms provide important economic incentives and supplemental income sources to facilitate and enable ongoing agricultural and natural resource management uses within agricultural and forest and range zones.

protect the rights and traditions of those engaged in agriculture. (Ord. 83-Z-2 (part), 1983; Res. 83-10, 1983). [Emphasis added].

Chapter 17.56 FOREST AND RANGE ZONE

17.56.010 Purpose and intent.

The purpose and intent of this zone is to provide for areas of Kittitas County wherein *natural resource management is the highest priority and where the subdivision and development of lands for uses and activities incompatible with resource management are discouraged.* (Ord. 92-6 (part), 1992). [Emphasis added].

The County's Growth Management Act (GMA) planning effort and policies define the entire Project area and most surrounding areas as protected for agricultural and natural resource management, development, extraction and production activities. County GMA-based policy, as defined by County plans and zoning code, is to prohibit sprawling suburban housing developments and to encourage rural activities within the vicinity of the KV Project site. The minimum lot sizes in both the A-20 and FR zones are 20 acres. Land uses that are incompatible with agricultural uses, including cattle operations, natural resource management, development and production, by definition, do not comply with the County's plan and zoning, nor do they comply with the mandates of the GMA.

A key legal and policy requirement in the County's rural zones and associated Comprehensive Plan policies is the protection of the rights and traditions of those engaged in agricultural uses and practices. In developing this Project, the Applicant has partnered with agricultural and forest and range landowners in pursuit of their rights to use their lands in accordance with this vision and policy. The Code explicitly protects these landowners against infringement of these rights by incompatible sprawling residential development. While the preservation of the rights of agricultural landowners is paramount, to achieve compatibility with scattered low-density residential development in the vicinity, and to better satisfy "compatibility" criteria addressed below, the Applicant has significantly down-sized and modified the Project design and layout to further minimize and mitigate potential impacts below those identified in the DEIS. This includes reducing the number of wind turbine generators from 150 to a maximum of 80, increasing turbine setbacks, eliminating turbines in the areas with greatest potential for visual impacts, minimizing "shadow flicker" impacts, further reducing noise impacts, and significantly reducing the number of required FAA nighttime safety lights and elimination of daytime FAA lights.

3.1 Findings of Compliance with Zoning Code Provisions

KCC CH. 17.61A – WIND FARM RESOURCE OVERLAY ORDINANCE

3.1.1 Definition of a “Wind Farm”

As provided in KCC 17.61A.020, a “wind farm” is defined to mean “a single wind turbine exceeding 120 feet in height” above grade or more than one wind turbine of any proposed size” “and/or constructed by the same person or group of persons on the same or adjoining parcels.” The code does not prohibit irregular boundaries.

Finding of Compliance: The Kittitas Valley Project proposes a maximum of 80 wind turbines on one single, consolidated, contiguous site or Project Area comprised entirely of adjoining parcels as illustrated in Exhibit 2. Therefore, the Project, as proposed, is consistent with this provision. The proposed sub-area plan and zoning overlay boundaries are depicted in Exhibit 6.

3.1.2 Inclusion of Support Structures and Related Improvements:

KCC 17.61A.020 provides that a "wind turbine" consists of "turbine apparatus and any other buildings, support structures or other related improvements necessary for the generation of electric power." KCC 17.61A.030 provides that Wind Farms are a permitted use in the Wind Farm Overlay so long as they meet the approval criteria of KCC 17.61A.040. The Project contains essential, related support facilities and improvements as follows:

1. underground and overhead electrical collection cables;
2. two electrical substations (the Project proposes up to two step-up/interconnection substations within the boundaries of the requested subarea and overlay zone – one enabling an interconnect into the BPA transmission system, and the other enabling interconnection into the Puget Sound Energy (PSE) transmission system); and
3. an operations and maintenance facility, proposed within the subarea planning boundary.

These essential, related and supporting facilities for the Wind Farm Project are shown in their respective locations in Exhibit 2.

Finding of Compliance: At the January 25, 2005 public hearing, the BOCC ruled that the provisions of KCC 17.61A.020, 030 and .040 together such that all necessary Wind Farm improvements and support structures, in this case including the substations and electrical collection lines, whether located within or outside the boundaries of the wind farm subarea and overlay zone, shall be permitted as components of the Wind Farm, so long as they meet the criteria of KCC 17.61A.040. In this case, these facilities are proposed

within the subarea plan boundary. As further confirmed in the Wild Horse Wind Power Project decision, the BOCC's intent in enacting KCC 17.61A was to create one consolidated review and decisionmaking process for Wind Farms and their support structures and improvements to replace the prior system of conditional use permits. Accordingly, all components of Wind Farms, including the Kittitas Valley Project, are to be reviewed by the BOCC subject to the approval requirements and restrictions set forth in KCC 17.61A.040. Separate conditional use permits are not required.

3.1.3 Approvals Required for Wind Farm Resource Overlay (WFRO) Zone:

KCC 17.61A.040 requires concurrent approval of the following by the Board of County Commissioners in order to authorize construction of a wind farm;

1. Development Agreement
2. Site Specific Subarea Comp Plan Amendment to WFRO
3. Site Specific Rezone to WFRO
4. Wind Farm Resource Development Permit

Finding of Compliance: The Applicant has included requests for all of these above listed elements under one consolidated Development Activities Application accepted as a complete application by Kittitas County on October 17, 2005 and is therefore consistent with this provision.

As provided in KCC 17.61A.040, these County's approvals shall only be made if the BOCC determines that:

1. The proposal is essential or desirable to the public convenience;
2. The proposal is not detrimental or injurious to the public health, peace or safety or to the character of the surrounding neighborhood; and
3. The proposed use at the proposed location(s) will not be unreasonably detrimental to the economic welfare of the county and it will not create excessive cost for facilities and service.

"The proposal is essential or desirable to the public convenience"

Finding of Compliance: A number of utilities in the region, including Puget Sound Energy, Inc. ("PSE"), Avista, PGE and PacifiCorp, have issued requests for proposals ("RFPs") for renewable energy resources to which the Applicant has responded with proposals for the Project. PSE, as a regulated utility in the State of Washington, prepared a Least Cost Plan ("LCP") in response to state requirements that, among other things, examines PSE's electric resource needs over the next twenty years and reviews the mix of conservation and supply resources to best meet those needs. The LCP was submitted to the Washington Utilities and Transportation Commission ("WUTC") on April 30, 2003, an update was submitted in August 2003 and the WUTC formally accepted PSE's LCP on

October 3, 2003. Following the resource acquisition strategy set forth in its LCP, PSE conducted a resource acquisition process which included a RFP for Wind Power Resources and a RFP from All Generation Sources.

The Applicant submitted proposals to PSE in response to both RFPs and after extensive evaluation, PSE concluded that the Wild Horse Project and the Hopkins Ridge Project in Columbia County were "least cost" resources, compared to other generation sources. This determination was made by comparing wind generation with other generation resources. Exhibit 9d illustrates the cost of wind power compared to other generation resources based on the results of project proposals submitted to PSE through its open and formal public RFP process. Based upon this "least cost" determination, PSE purchased all of the Wild Horse Wind Power Project, and a portion of the Hopkins Ridge Project. These Projects will help PSE meet its obligations to the public and its customers in accordance with its "Least Cost Plan," adopted by the Washington Utility and Transportation Commission (UTC). Like the Wild Horse and Hopkins Ridge Projects, the KV Project is anticipated to provide significant local and regional benefits, including helping the region meet long-term energy generation needs, through non-polluting, renewable energy. Wind energy projects are particularly important to the public in the Northwest, by discouraging and offsetting coal and other fossil fuel generation, and by helping to offset the growing demand on the hydroelectric generation system, which is threatened by environmental restrictions related to fish habitat protection. The KV Project is expected to provide additional benefits that are desirable to the public convenience, discussed below. Based on these Findings, the Project is desirable for the public convenience.

The Applicant's proposal locates approximately 2 miles of 34.5kV overhead electrical collector lines and two electric substations on private property which has been secured under option by the Applicant illustrated on a the tax parcel map contained in Exhibit 2. The substations and overhead collection lines are essential supporting facilities for the Project. As a means of enabling operation of the Project and delivery of electric power to the grid, these facilities are desirable to the public convenience, as described in Section 2.5 of this document under Findings of Consistency with Utility Policies under the Comprehensive Plan. The collector lines and electrical substations are necessary components of a Wind Farm Project which is desirable for the public convenience.

"The proposal is not detrimental or injurious to the public health, peace or safety or to the character of the surrounding neighborhood"

FINDINGS OF COMPLIANCE: The Project is proposed in an area of the County dominated by agricultural and natural resource management, production and extraction land uses, but also under pressure to convert land uses to sprawling residential uses discouraged by Comprehensive Plan policies and zoning code requirements. The Project would be situated within a "utility corridor" located on agricultural and forest/range lands. The "viewscape" is dominated by large electrical transmission corridor facilities.

The Project is expected to provide rural landowners with much-needed financial support and incentives to maintain rural/agricultural uses, practices and traditions. By providing this support, the KV Project is expected to facilitate and help the County implement zoning code requirements and Comprehensive Plan policies to discourage rural sprawl. With rural landowners "buffered" from cyclical market conditions through the underpinning of a steady stream of income derived from the compatible "wind farming" alongside rural agricultural and natural resource management uses, the County will be under significantly less pressure to allow sprawling residential development that conflicts with GMA requirements, local Plan policies, and zoning code requirements.

Density, number, and size: The Project is designed to economically maximize wind energy capture within the area available for development secured under lease and options for lease by the Applicant. In this agricultural-zoned, rural area of the County, away from urban populated areas, the density, number and size of the Project and its components (including turbines) will not be detrimental or injurious to the public health, peace or safety or to the character of the surrounding neighborhood. Through Project redesign, the Applicant has further reduced the number of turbines, pulled away from low-density populated areas to the north of the Project boundary, and significantly reduced the number of FAA lights, and eliminated daytime FAA lighting. As described in the December, 2005 Addendum to DEIS, the Project redesign has resulted in a further minimization and mitigation of environmental impacts. (See Report of Priestley, Exhibit 11).

Setbacks: The maximum required construction set-back distance, under current County zoning for the Project area, is 25 feet from property lines.

The Kittitas Valley Project is proposed within a large, single, consolidated land area. The Development Activities Application was proposed with the knowledge and written consent of all landowners involved with turbines or other facilities proposed on their property. The Applicant has proposed to incorporate setbacks from property lines and houses which are well in excess of the setback requirements set out under current County zoning for any other type of land use. The wind turbines are proposed in locations providing a minimum of 1,000 feet from residences of non-participating landowners and 541 feet from all property lines, except where the Applicant has entered into an easement agreement with the affected property owner. In the event the Applicant wished to install wind turbines closer than 541 feet to the Project boundary, the Applicant would be required to obtain an easement or covenant that restricts the construction of any new residence within 541 feet of any turbine as measured from the nearest turbine tower center point to any such new residence. Exhibit 2 illustrates landownership of participating and non-participating landowners.

All turbines will be set back from publicly traveled roadways (public and private) by the distance from the ground elevation to turbine tip. This setback greatly

exceeds setbacks required in Kittitas County for cellular towers, telephone poles, utility poles, transmission towers, or any other facilities. This setback would address any imaginable safety-related issues raised by Project opponents.

Location: As explained above, the Project is designed to be compatible with surrounding land uses, particularly agricultural land uses. The land surrounding the Project Area is not planned or zoned for urban residential use, and residential sprawl is explicitly prohibited by the zoning code. It is zoned Forest & Range and A-20. In accordance with Comprehensive Plan policies and zoning code requirements, the Applicant anticipates that adjacent and surrounding lands will continue to be used principally for rural/agricultural uses, including natural resource extraction, development and production.

Exhibit 2 contains a map illustrating the location of the Project and related facilities with respect to the nearest existing residences.

- Noise Impacts: As documented in the DEIS and Addendum, noise levels will be well within the state noise regulation requirements and will not create probable, significant adverse impacts. (See Report of Baker/Bastasch, Exhibit 12).
- “Ice Throw” and “Blade Throw”: Due to the Project and equipment design, and due to the fact that the Application is proposing setbacks of at least 1000 feet from any non-participating residences and at least tip-height from any public roads, private roads, and property lines, the risk that “ice throw” from turbine blades or the “throwing” of blades themselves endangering any members of the public is very remote. (See Reports of Kammen and Bernay, Exhibits 13 and 14).
- Shadow Flicker: The Applicant has provided a comprehensive analysis of “shadow flicker” impacts associated with the Project. This analysis has been included within the December 2005 Addendum to the DEIS, Section 3.4. That analysis demonstrates that shadow flicker will occur mostly in the dawn and twilight hours, and that due to the revised layout, the duration for most “receptors” will be reduced. Due to the nature of shadow flicker, and the duration associated with the KV Project, the DEIS and the Addendum to the DEIS conclude that shadow flicker is not a significant impact. (See Report of Nielson, Exhibit 15).
- “Tower Collapse”: Tower collapse is a very remote risk. However, due to the project and equipment design, and due to the fact that the Applicant is proposing setbacks of at least the height of the tower plus the blade (overall tip-height) from any public roads, private roads, and non-participating residences, and the fact that no such injury has ever been reported from any other operating wind farm anywhere in the world, there

is no real risk that members of the public would be injured by “tower collapse.” (See Reports of Kammen and Bernay, Exhibits 13 and 14.)

Support Facilities: The electrical collection lines and substations are not detrimental or otherwise injurious to the public health, peace or safety. Appropriate security measures will be implemented to prevent injury to the health, peace or safety of the public. The proposed support facilities and improvements are not injurious to the character of the surrounding neighborhood. The general pattern of land use in the area is rural in nature, with scattered homes and some low-density residential development. The area is already dominated by multiple rows of large steel and wood transmission towers. Exhibit 4 contains a map illustrating the land uses of areas surrounding the Project and Exhibit 2 illustrates the location of residences with respect to the Project. The proposed support facilities are compatible with this rural character, and are situated to avoid urban areas. Additional information regarding the lack of detrimental impacts for each of the support facilities is as follows:

Electrical Collection Lines and Substations:

- The Applicant’s proposal locates a 2 mile stretch of 34.5kV overhead electrical collection lines and up to two electric substations on private property which has secured under option by the Applicant illustrated on the tax parcel map contained in Exhibit 2. The substations facilities are not detrimental or injurious to the public health, peace of safety because they will be fenced and secured. The electric substations will be located within the overlay zone boundary, and will not have any negative impact on the public. They will be in the immediate vicinity of a significant existing utility corridor. The 34.5kV overhead collection lines will be constructed directly adjacent to the existing Puget Sound Energy (PSE) transmission lines (230kV) on 60 foot tall H-frame wood poles as illustrated in the Project Description contained Exhibit 3 and will be similar to the existing PSE lines that currently run west to east through the middle of the Project site area. These essential facilities are proposed in an area of the County where power poles and transmission facilities already exist.

- Additionally, electrical substations are defined as “special utilities.” In accordance with the standards for "special utilities," the substations proposed by the Applicant utilize industry standards for the delivery of wind-powered electricity and do so in a manner that does not introduce hazardous materials and minimizes the risks of accident or damage from such materials. All substation transformers will contain non-hazardous mineral oil.

Additionally, substation transformers will be designed with a spill containment system including a non-permeable membrane buried below grade and/or a concrete perimeter trough or surrounding berm and an oil level detection system to prevent release of oil in the unlikely event of a spill. During construction, a detailed spill prevention plan in accordance with standard BMPs, as required by the Department of Ecology (DOE), will be implemented to minimize spill risks as set forth in the SEPA mitigation measures in the proposed Development Agreement.

- All Project electrical facilities including the 34.5kV overhead collector line and substations will be designed and stamped by experienced and certified Washington state registered professional engineers in compliance with National Electric and Safety Code (NESC), Institute for Electrical and Electronic Engineers (IEEE), National Fire Protection Agency (NFPA) standards in accordance with good utility practice. The design and construction specifications will be custom tailored for site-specific conditions by technical staff and engineers. The Project engineering team will also ensure that all aspects of the specifications as well as the actual on-site construction comply with all of the applicable federal, state and local codes and good industry practice.
- The Applicant proposes an operations and maintenance (O&M) facility within the Project boundaries. This facility will not differ materially in appearance from other buildings in the vicinity, serving rural land uses.

Mitigation: A wide range of mitigation measures and other development conditions, including those described above, have been proposed by the Applicant for the Project in order to ensure land use compatibility, as well as avoidance, minimization and mitigation of probable, significant adverse environmental impacts. These measures are included in the proposed Development Agreement submitted to the County, and are detailed in the DEIS, and the December 2005 Addendum thereto. With these mitigation measures, the County will ensure the public health, peace and safety and ensured preservation of the character of the surrounding neighborhood, including preservation of the character described in relevant Comprehensive Plan policies and zoning code requirements for rural land uses.

“The proposed use at the proposed location(s) will not be unreasonably detrimental to the economic welfare of the county and it will not create excessive cost for facilities and service”

Findings of Compliance:

Economic Impacts and Benefits: As described in detail below, the Project will provide significant long term tax revenues to the County far in excess of any increased costs resulting from project-induced demand for local public services, such as public safety, schools and infrastructure. Tax revenues generated by the Project can be used to finance public services that improve public, health, safety and welfare and/or to reduce the current tax burden on existing taxpayers. New jobs will be created during both construction and operation of the Project and local purchases of supplies and services will provide a further boost to the local economy. An analysis of these economic impacts is presented in Exhibit 9b, "Economic Impacts of Wind Power in Kittitas County" prepared by ECONorthwest for the Economic Development Group of Kittitas County.

The long term property tax revenues the Project will generate are the single largest source of direct economic benefits to the local community. It is expected that the Project will contribute approximately \$1.8 million in property taxes in its first year of operation, and a total of approximately \$20 million over a 20 year period, assuming the local property tax rates remain roughly constant (the annual payments are expected to decline over time due to depreciation.)

Another major economic benefit of the Project are royalties to landowners hosting wind turbines and other Project facilities on their land, which are expected to generate average payments of approximately \$675,000 per year over the life of the Project. Wind turbines on state DNR lands will contribute a lease royalty payment of approximately \$215,000 annually, the majority of which is dedicated to the state schools trust fund. Royalties to private landowners with wind turbines located on their land are expected to generate an average of approximately \$460,000 per year in payments to area landowners, a significant portion of which is likely to be invested or spent in the local area. The Project would be the second largest tax contributing entity in the County, after the Wild Horse Wind Power Project. Against this backdrop of economic benefit to the County and its citizens at large, there is no reasonable evidence that any private property values within or beyond the Project vicinity will be negatively impacted by the Project. (See Report of DeLacy, Exhibit 10).

Exhibit 9c contains a report published by Ohio State University discussing the costs of community services for various land uses including residential, commercial/industrial and farmland/open space. The key results are that for residential uses, for every \$1.00 of tax contribution, the Costs of Community Services (COCS) are \$1.15 to \$1.50 and for commercial/industrial, the COCS are \$0.35 to \$0.65. For agriculture/open space, the COCS is the lowest at \$0.30 to \$0.50 for every tax dollar of contribution. Since the Project land would remain similar to an agriculture/open space use in terms of demand for community

services, it will also have a very low COCS compared to other uses and as such remains as a large net contributor to local tax revenues without the introduction of additional cost burdens to the County for services.

Decommissioning Plan: In the Development Agreement, the Applicant proposes extensive measures to ensure the successful decommissioning of the Project. The proposed Development Agreement sets forth mandatory requirements of a detailed decommissioning plan as well as the expected cost of decommissioning. The Development Agreement establishes requirements for providing adequate financial surety for performance of the decommissioning, and provides for the timing and sequencing of complete decommissioning of the Project. Based upon the terms of the Development Agreement, the proposed use at the proposed location will not be unreasonably detrimental to the economic welfare of the County and it will not create excessive costs for facilities and services.

Assignment or Transfer of Facility to Another Entity: The Development Agreement includes measures for the County to address assignment or transfer of ownership of the Project. The Development Agreement provides that the Applicant shall have the right to assign or transfer all or any portion of its interest in the Project at any time, to third parties, provided that such assignments or transfers are made in accordance with the terms of the Development Agreement which ensure that the assignment is to a party with sufficient financial strength to perform under the obligations of the Development Agreement. Based upon these terms of the Development Agreement, and in terms of the potential assignment of the Project, the proposed use at the proposed location will not be unreasonably detrimental to the economic welfare of the County and it will not create excessive cost for facilities and service.

Support Facilities and Improvements: The proposed support facilities will not be detrimental to the economic welfare of the County nor create excessive costs for facilities and services. The proposed 34.5kV overhead collector line will be located within a 150-foot wide right-of-way easement secured by the Applicant and at Applicant's sole expense with private landowner(s), as illustrated by the map contained in Exhibit 2. The proposed overhead collector line and substations will be constructed at the Applicant's sole expense. All necessary services for the construction and maintenance of said collector line and substations will be privately procured or paid for by the Applicant, including without limit, fire protection, emergency response, drainage structures, water and refuse disposal. As a non-residential project, the Project will not require significant community services, as discussed in a detailed report on the cost of community services for various land uses contained in Exhibit 9c prepared by Ohio State University as well as the economic impact report performed by ECONorthwest contained in Exhibit 9b.

Compatibility with Properties Within Other Zoning Districts in the Vicinity

Typically, land use permit applicants are asked to comply with the zoning code designations and criteria applicable to the lands where the project is proposed. The Applicant anticipates that the KV Project will be treated like other land use applications and considered under Comprehensive Plan policies and zoning code provisions applicable to the FR and A-20 zoning districts.

To the north of the Project area, a rural area is zoned A-3. Since the filing of the KV Project applications, in 2005 the County rezoned an area to the north of the Project boundary to A-5. Also in 2005, the County adopted an ordinance codified at KCC Chapter 16.09, allowing clustering and density bonuses for residential development of properties within these and other zones. As stated in KCC Chapter 16.09, rural clustered developments must satisfy strict public benefit requirements in order to obtain density bonuses. Chapter 16.09 confirms the “recognition of rural densities in rural lands” and states that rural cluster developments shall be “developed at densities to preserve rural character.” The zoning within the proposed subarea plan boundary has not changed since the Applicant first filed the ASC or the original Development Activities Application.

The A-3 zone predates the County’s GMA planning and zoning work. As shown below, the A-3 and A-5 zones are intended to provide for predominantly agricultural-oriented land uses, while allowing low density residential developments that will “co-exist compatibly” with agricultural land uses. The Applicant is in partnership with rural landowners who view this Project as an important strategy to enable sustainable, ongoing agricultural and other natural resource-based land uses, in accordance with the County’s Rural Area Comprehensive Plan policies and zoning code provisions applicable to the FR and A-20 zoning districts.

Chapter 17.28A
A-5 - AGRICULTURAL ZONE

17.28A.010 Purpose and intent.

The purpose and intent of the agricultural (A-5) zone is to provide for an area where various agricultural activities and low density residential developments co-exist compatibly. A-5 zones are predominately agricultural-oriented lands and it is not the intent of this section to impose further restrictions on continued agricultural activities therein. (Ord. 2005-05, 2005).

Chapter 17.28
A-3 - AGRICULTURAL ZONE

17.28.010 Purpose and intent.

The purpose and intent of the agricultural (A-3) zone is to provide for an area where various agricultural activities and low density residential developments co-exist compatibly. A-3 zones are predominately agricultural-oriented lands and it

is not the intent of this section to impose further restrictions on continued agricultural activities therein. (Ord. 83-Z-2 (part), 1983).

Finding of Compliance: As noted previously, the Applicant has eliminated the northern portions of turbine strings previously proposed near the areas zoned A-3 and A-5, in order to further avoid, minimize and mitigate potential visual impacts. For the reasons stated in the Findings of Compliance under both the rezone criteria (KCC Chapter 17.98.020E) and approval under the Wind Farm Overlay Ordinance, the Project is compatible with, and will not impair or negatively impact uses existing or likely to be proposed within the A-3 and A-5 zoned areas.

The Project is at a sufficient distance from these areas, with no probable significant visual, noise or other land use or environmental impacts. The Applicant is unaware of any pending applications for rural cluster developments north of the Project area. Such potential developments would be hypothetical, and if pending, there is no evidence to show that the Project, as mitigated, would be incompatible with such developments. (See Report of DeLacy, Exhibit 10). Moreover, the enactment of the rural cluster ordinance does not alter the underlying Comprehensive Plan policies or the zoning code requirements discussed elsewhere in these Findings. As stated in the Report of DeLacy, Exhibit 10, property values will not be negatively impacted by the Project. The Project will not impose any health or safety impacts upon any of the surrounding lands, including existing or potential land uses within the A-3 and A-5 zones. (See also Report of Kammen, Exhibit 13 (safety), Report of Bernay, Exhibit 14 (safety/probability of public safety incidents), Report of Baker/Bastasch, Exhibit 12, (noise) Report of Priestley, Exhibit 11 (visual impacts), and Report of Neilsen, Exhibit 15 (shadow flicker impacts)).

3.1.4 Wind Farm Resource Overlay Development Permit:

Finding of Compliance: A Wind Farm Resource Overlay (WFRO) Development Permit may be issued upon meeting the requirements for the sub-area plan amendment, rezone, and development agreement. By satisfying the criteria for issuance of these approvals, the Project satisfies all requirements for issuance of the WFRO Development Permit. The Development Agreement will function as the instrument for addressing conditions of approval. (See Proposed Findings and Conclusions, Section 4).

3.1.5 REQUEST FOR REZONE:

The County's Wind Farm Resource Overlay Zone requires a rezone to a "Wind Farm Resource Overlay." While the Applicant believes that the criteria in KCC 17.61A govern review and approval of the overlay zone, in order to fully comply with all potential requirements, the Applicant also demonstrates compliance with the County's general rezone criteria, KCC Chapter 17.98.

KCC Chapter 17.98.020E provides that, in order for the Project to obtain a rezone, the County's zoning code requires the following:

“A petition requesting a change on the zoning map from one zone to another must demonstrate that the following criteria are met:

- a. The proposed amendment is compatible with the comprehensive plan; and
- b. The proposed amendment bears a substantial relation to the public health, safety or welfare; and
- c. The proposed amendment has merit and value for Kittitas County or a sub-area of the county; and
- d. The proposed amendment is appropriate because of changed circumstances or because of a need for additional property in the proposed zone or because the proposed zone is appropriate for reasonable development of the subject property; and
- e. The subject property is suitable for development in general conformance with zoning standards for the proposed zone; and
- f. The proposed amendment will not be materially detrimental to the use of properties in the immediate vicinity of the subject property; and
- g. The proposed changes in use of the subject property shall not adversely impact irrigation water deliveries to other properties.”

Implementation of the Wind Farm Resource Overlay zone does not require a “change on the zoning map from one zone to another.” The underlying zoning will remain A-20 and FR. No uses within these zones will be displaced, and in fact, as described above, agricultural and natural resource management and development uses and activities will be strengthened by approval of the proposal. Nevertheless, given the uncertainties involved in interpreting the County's zoning criteria, the Applicant demonstrates compliance with KCC Chapter 17.98.020E as follows.

Findings of Compliance:

Present zoning district: The Property Area is zoned Forest & Range (FR) and A-20 as illustrated in Exhibit 6.

Zoning district requested: Wind Farm Resource Overlay.

a) The proposed amendment is compatible with the Comprehensive Plan:

The Applicant has submitted Findings of Consistency related to the Kittitas County Comprehensive Plan in Section 2 of this document, analyzing all applicable Plan Goals and Policies, demonstrating that the proposed subarea plan amendment and rezone for the Project are compatible with the Comprehensive Plan. The Applicant has shown that the Project will establish financial

underpinnings to enable ongoing, sustainable agricultural and natural resource management and development land uses within 6,000 acres planned and zoned for rural land uses, thereby helping meet the County's planning goals to protect rural land uses, activities, and traditions.

- b) The proposed amendment bears a substantial relation to the public health, safety or welfare:

This criteria is similar to the criteria #2 discussed above under the heading "17.61A.040 Approvals Required for Wind Farm Resource Overlay Zone." For the reasons discussed therein, the Project bears a substantial relation to the public health, safety, and welfare. The Project will develop one of Kittitas County's abundant renewable resources – wind – in an area highly suited to this use and activity. The Project will provide a clean source of power while helping to reduce the region's dependence on polluting, non-renewable energy sources subject to great price volatility. The Project will also help the region to address the risks and effects of declining electricity generation and price volatility of hydroelectric power, caused by fishery habitat concerns. Additionally, the Project will provide significant added tax revenue while not significantly increasing the demand for local public services, such as public safety, schools and infrastructure as described above. It will do so without imposing burdens on the urban portions of the County as it is located in a rural area, and it will not detrimentally impact the rural uses of the area. The Project is proposed in an area zoned for agricultural and natural resource management, extraction and production uses. It will not impose public health or safety impacts on the scattered residential uses in the vicinity. (See Report of Kammen, Exhibit 13 (safety), Report of Bernay, Exhibit 14 (safety/probability of public safety incidents), Report of Baker/Bastasch, Exhibit 12, (noise) Report of Priestley, Exhibit 11 (visual impacts), and Report of Nielsen, Exhibit 15 (shadow flicker impacts)).

- c) The proposed amendment has merit and value for Kittitas County or a subarea of the County:

Findings of Compliance:

The Project has merit and value for Kittitas County (the Project site is not located in a currently designated subarea). As stated above, the Project will provide significant long term local tax revenues without increasing demand on local services and will create new family wage jobs in the County. It will enable ongoing, sustainable rural agricultural and natural resource management practices, providing rural landowners with much-needed revenues, thereby discouraging incompatible conversions of A-2- and FR-zoned lands to sprawling residential development. The Project will also help diversify the regional energy portfolio

and reduce the region's dependence on non-renewable energy sources that are subject to price volatility and generate significant pollution. Development of wind energy facilities in the Project area will result in far less demand for public services than would be the case for residential development on the private lands within the Project Area. Therefore, the Project is consistent with this criterion.

- d) The proposed amendment is appropriate because of changed circumstances or because of a need for additional property in the proposed zone or because the proposed zone is appropriate for reasonable development of the subject property.

Findings of Compliance:

In Chapter 17.61A (establishing new wind farm development rules), the County established that wind farms “are a permitted use in a Wind Farm Resource Overlay Zoning District.” (Section 17.61A.030). However, under Ch. 17.61A, subarea plan and zoning amendments are required, as well as a development agreement and development permit. Consequently, under the relevant code provisions, the “changed circumstances” test is not readily applicable to the proposed plan and zoning amendments. The Applicant does not propose to change the underlying land uses allowed within the applicable zoning districts, and in fact, the Project will facilitate the continuation of sustainable agricultural and natural resource management practices and traditions. These are new circumstances that weigh in favor of the subarea plan and rezone. There is a “need for additional property” in Kittitas County having the Wind Farm Resource overlay designation, in that while the County has determined that wind farm uses are a permitted use within the overlay district, only one area with this designation currently exists in Kittitas County. The electrical power needs of the County and the region are increasing. Additionally, and in the alternative, for the reasons described below, the proposed subarea district and zoning overlay designations are “appropriate for reasonable development of the subject property.”

Fundamentally, properties are suitable for wind farm development (and consequently are generally suitable for the subarea plan and zoning overlay designations) if they are situated within the appropriate underlying zoning district (A-20, Forest & Range, Commercial Agriculture, and Commercial Forest), AND because they have substantial, reliable, commercially-viable winds, AND because they are situated in close proximity to high voltage electric transmission facilities. Only a limited number of properties could be eligible for such development. This is true both in Kittitas County, and regionally. Because of the very limited range of properties suitable in Kittitas County for this property use, the proposed Project site is an appropriate area to be assigned the subarea plan and zoning overlay designation due to need for additional property, and because wind energy facility use is appropriate for the reasonable development of the property. The purpose and intent of Chapter 17.61A.010 of the Zoning Code is to “establish a process for

recognition and designation of properties located in areas of Kittitas County suitable for the location of wind farms...”

The proposed subarea plan designation and rezone are appropriate because the Project area is suitable for Wind Farm development. The KV Project area is particularly appropriate for Wind Farm development for several key reasons:

- The wind resource in the Project area is vigorous, well-documented and commercially viable;
 - The development of a Wind Farm in the Project area is consistent with current land uses in the area (grazing, natural resource management, open space, scattered rural homesites);
 - Extensive environmental, cultural resource, noise and visual studies have shown the impacts from the Project will be minimal and can be mitigated successfully through the Development Agreement and mitigation measures proposed through the EIS, which includes development regulations and environmental mitigation measures; and
 - The Project has been redesigned and significantly downsized, to meet and satisfy the comments from the County Planning Commission, the BOCC, and members of the public, made in previous wind farm applications. The downsized project, and its associated impacts, is comprehensively described in the December 2005 Addendum to the DEIS.
- e) The subject property is suitable for development in general conformance with zoning standards for the proposed zone.

Findings of Compliance:

The Wind Farm Resource overlay district, as defined in Ch. 17.61A, does not contain zoning standards, but instead relies upon the site-specific development agreement to implement appropriate development standards. The subject property will be developed in compliance with a Wind Resource Overlay zone and in conformance with the zoning standards contained within the A-20 and FR zones, as well as any additional standards or conditions imposed by all applicable permits and approvals.

- f) The proposed amendment will not be materially detrimental to the use of properties in the immediate vicinity of the subject property.

The Project will not be materially detrimental to the use of properties in the immediate vicinity of the Project area because all existing land uses within the Project Area - including grazing, natural resource management and development, open space, and rural residential - would continue, with no limitations or restrictions on the use of properties in the immediate vicinity as a consequence of

the proposed Project. The suitability of the Project area is further analyzed above, under Findings of Compliance with the Wind Farm Resource Overlay ordinance.

- g) The proposed changes in use of the subject property shall not adversely impact irrigation water deliveries to other properties.

There will be no impact to irrigation water deliveries. The area requested for rezoning and adjacent parcels is not currently irrigated.

3.2 Conclusions of Law Regarding Zoning Compliance

3.2.1 The Project Complies with Wind Farm Resource Overlay Ordinance: Based upon the Findings of Compliance, the BOCC concludes that the Project complies with the Wind Farm Resource Overlay ordinance, KCC Ch. 17.61A. Specifically, the Project is proposed on one single, consolidated, contiguous site or Project area as shown on the proposed Project and Site Layout map in Exhibit 2. The proposed Project is essential or desirable to the public convenience. The Project is not detrimental or injurious to the public health, peace or safety or to the character of the surrounding neighborhood. The proposed use at the proposed location(s) will not be unreasonably detrimental to the economic welfare of the County and it will not create excessive cost for facilities and service.

3.2.2 All Related or Supporting Facilities and Uses are Approved: The BOCC confirms its January 25, 2005 ruling and concludes that all related or supporting facilities, activities and uses described in the Development Activities Application, including the electrical collection lines, operations and maintenance building and substations, are approved as part of the Project in compliance with the Wind Farm Resource Overlay ordinance, KCC Ch. 17.61A. Therefore, based upon these Findings, and based further on the record and deliberations at the January 25, hearing (incorporated herein by this reference), the BOCC concludes that separate conditional use permits are not required for these Project components.

3.2.3 The Project Meets all Requirements for a WFRO Development Permit: Based upon the Findings of Compliance set forth above, the Project satisfies all criteria for issuance of the WFRO Development Permit. The Project shall be conditioned upon the Applicant complying with all terms of the Development Agreement, and all terms and conditions imposed by EFSEC in the Site Certificate Agreement.

3.2.4 The Project Meets all Requirements for a Rezone: While the criteria for approval of a rezone are similar to the criteria for approving the Project under the Wind Farm Resource Overlay ordinance, KCC Ch. 17.61A, the Applicant has separately addressed these requirements. Based upon the Findings of Compliance, the BOCC concludes that the Applicant has demonstrated that the Project complies with all criteria and requirements for a site-specific rezone to Wind Farm Overlay.

4 Compliance with Development Agreement Ordinance

4.1 Findings of Compliance

- A. State law permits counties to enter into development agreements with project applicants (RCW 36.70B.170-.210). Consistent with state statutes, Kittitas County has adopted provisions for entering development agreement with private landowners (KCC Chapter 15A.11).
- B. KCC 17.61A.040 requires a development agreement as part of the approval for a Wind Farm Resource Overlay zone. Development agreements must be adopted by the Board of county Commissioners (BOCC) after a public hearing.
- C. Applicant applied for a Development Agreement as part of its Development Activities Application for a Wind Farm Resource Overlay, which was submitted to the County on December 22, 2005.
- D. Applicant consulted with the County staff regarding the proposed Development Agreement, including the proposed development standards, mitigation measures and other provisions of the Development Agreement.
- E. KCC 17.61A.040(1) provides that a development agreement must set forth the development standards applicable to the development of a specific wind farm, which may include, but is not limited to:
 - a. Densities, number, size, setbacks and location of turbines;
 - b. Mitigation measures and such other development conditions as deemed appropriate by the Board of County Commissioners to be necessary including measures to protect the best interest of the surrounding property or neighborhood or the county as a whole; and
 - c. Other development standards including those identified in KCC 15A.11.020(E) and RC 36.70B.170(3).

4.2 Conclusions of Law Regarding Compliance

- A. The BOCC concludes that the Project as set forth in the Development Agreement attached hereto sets forth the densities, number, size, setbacks and locations of turbines, that it contains mitigation measures and other development conditions adequate to protect the best interests of the surrounding property, neighborhood and the county as a whole, and that it meets the other substantive and procedural requisites of KCC Chapter 15A.11 and RCW 36.70B for development agreements.
- B. The BOCC concludes that the Project as set forth in the Development Agreement meets the standards in KCC 17.61040(3) because it is essential or desirable for the public convenience; is not detrimental or injurious to the public health, peace, or safety or to the character of the surrounding neighborhood; and the Project will not be unreasonably detrimental to the economic welfare of the county and will not create excessive public cost for facilities. The basis for these findings is set forth in detail in Section 2 and 3 of these Findings, which are incorporated here by reference.

5. State Environmental Policy Act (SEPA) Review

1. Scoping and Public Notification: Prior to submitting the Development Activities Application to Kittitas County, on January 13, 2003 the Applicant submitted an application for site certification for the Kittitas Valley Project ("Project") to Washington Energy Facility Site Evaluation Council (EFSEC). EFSEC (as SEPA "lead agency") determined that the proposal would have a probable significant adverse effect on the environment, that a determination of significance (DS) would be issued, and that an environmental impact statement (EIS) was required pursuant to the State Environmental Policy Act (SEPA). The lead agency issued a determination of significance and scoping notice for the proposal on February 4, 2003. EFSEC issued notice of the DS to local and regional newspapers and radio stations, and published the notice in the State SEPA Register. EFSEC held informational and scoping meetings in Ellensburg on March 12, 2003 to facilitate public input from agencies and interested citizens. The meeting was advertised through newspaper notice and through mailing of individual notices to individuals and organizations on the EFSEC mailing list. Based on public and agency input received through March 14, 2003, EFSEC identified the scope of the EIS to be prepared on the proposed action.

2. Public Comment Process: EFSEC published a Draft EIS for the Project on December 12, 2003. A 39-day written comment period, extending through January 20, 2004 was provided to allow public and agency review of the Draft EIS. EFSEC held a public meeting on the Draft EIS in Ellensburg on January 13, 2004 to facilitate the review process. Speakers provided verbal testimony at the meeting concerning the Draft EIS. A written transcript of testimony at the meeting was prepared for EFSEC. EFSEC also received written comment input on the Draft EIS; these are also documented in the EFSEC files.

EFSEC published a Supplemental Draft EIS for the Project on August 11, 2004. A 33-day written comment period, extending through September 13, 2004 was provided to allow public and agency review of the Supplemental Draft EIS. EFSEC held a public meeting on the Supplemental Draft EIS in Ellensburg on August 24, 2004 to facilitate the review process. Speakers provided verbal testimony at the meeting concerning the Supplemental Draft EIS. A written transcript of testimony at the meeting was prepared for EFSEC. EFSEC also received written comment input on the Draft EIS; these are also documented in the EFSEC files.

As a consequence of the Applicant's revised project layout, EFSEC issued an Addendum to the Draft EIS on December 16, 2005. The Addendum is attached to these Findings as Exhibit 19. The Addendum reviews the Applicant's revised layout, which downsized the Project from a maximum 150 turbines to a maximum of 80 turbines. Particularly relevant to SEPA review for the Project, the Addendum documents that in developing the revised project layout, "the Applicant attempted to reduce the visual impact of the KVWPP." (Addendum, p. 3-17). The measures taken to minimize, mitigate and further avoid impacts were the outcome of the Applicant listening to and responding to public concerns and comments by the Planning Commission and BOCC, in the several wind power

projects reviewed by the County under the Wind Farm Overlay Ordinance. Addendum Page 1.3 includes a summary of revisions to the turbine string layout, including the reduction in turbines, reorienting strings, and the elimination of the southern portion of string D and the northern portion of string H. Additionally, the revised layout increases the setback from property lines of neighboring landowners without project agreements from 50 feet to 541 feet beyond the tip of the blade at its closest point to the property line.

The Addendum confirms that visual impacts from FAA-required lights will be further minimized, with elimination of daytime lights and a significant reduction in nighttime lights. The Addendum confirms that the revised layout further avoids, minimizes and mitigates impacts associated with shadow flicker, and avoids, minimizes and mitigates visual impacts, as analyzed from a number of key viewpoints. The Addendum confirms that, reviewed under "the most stringent state noise regulations," the Project further reduces impacts and will comply with state regulations. New project access roads are reduced from 19 miles to 13 miles. Potential impacts to cultural resources are addressed, demonstrating no unmitigated adverse impacts.

The Addendum includes a thorough discussion documenting the fact that the revised Project layout further avoids, minimizes and mitigates environmental impacts, and concludes that the Project will not pose any probable significant unmitigated adverse impacts. Particularly relevant to the County's review process under the Wind Farm Overlay Ordinance are the following:

- No additional unavoidable adverse impacts on health and safety are expected as a result of the KVVWPP layout revisions. Project design, implementation of the mitigation measures described in the Draft EIS, and the greater setback from property lines of neighboring landowners would continue to minimize health and safety impacts.
- The revised KVVWPP layout will not create additional significant adverse impacts to visual resources. With the proposed layout changes, the KVVWPP will have less of an impact on visual resources particularly for viewpoints located at the north and northwestern portions of the project area. In addition, impacts from FAA required lighting of the turbines will be significantly reduced.

3. Kittitas County's SEPA Participation: Kittitas County has reviewed the Draft EIS and comments to the Draft EIS as well as clarifying information contained in technical reports from the Applicant's experts. The County has also reviewed the Supplemental Draft EIS and the Addendum to the Draft EIS together with the related comments. On November 23, 2005, the Applicant provided with County with advance copies of all technical reports forming the foundation of the Addendum, including reports regarding noise impacts, shadow flicker issues, and visual impacts. The Applicant met with the County staff thereafter. The County did not provide any comments or suggest any changes to the reports, and confirmed that the Applicant had addressed the County's prior comments regarding the DEIS. The County staff has reviewed the proposed SEPA

mitigation measures to address environmental impacts of the Project and has verified that the Applicant has addressed County concerns. The SEPA mitigation measures are attached to the Development Agreement, and are thereby made a part of the Applicant's agreement with the County.

4. Publication of the Final EIS; Compliance with Mitigation Measures: EFSEC intends to publish a Final EIS following its adjudicative hearings on the Kittitas Valley Project. The Final EIS will contain supplemental environmental analysis prepared in response to comments received on the Draft EIS, will address additional mitigation measures (if any), and will include responses to the review comments on the Draft EIS. Publication of a Final EIS will complete the SEPA process for the EFSEC Site Certificate. In the Development Agreement with the County, the Applicant has committed to comply with the SEPA mitigation measures and other conditions of development as stated in the proposed Development Agreement. As provided in the Development Agreement, the Applicant will also be obligated to comply with any additional conditions imposed by the EFSEC FEIS and Site Certificate Agreement.