

ARAMBURU & EUSTIS, LLP

Attorneys at Law

J. Richard Aramburu
rick@aramburu-eustis.com
Jeffrey M. Eustis
eustis@aramburu-eustis.com

720 Third Avenue, Suite 2112
Seattle, WA 98104
Tel 206.625.9515
Fax 206.682.1376
www.aramburu-eustis.com

April 13, 2012

Andrew M. Montaña
Environmental Project Manager
Bonneville Power Administration - KEC-4
P.O. Box 3621
Portland, OR, 97208-3621

ammontano@bpa.gov

Stephen J. Wright
Administrator
Bonneville Power Administration
905 N.E. 11th Avenue
Portland, OR 97232

sjwright@bpa.gov

Re: Whistling Ridge Wind Interconnection Project
Skamania County, Washington

Dear Mr. Montaña and Mr. Wright:

This letter is written on behalf of Friends of the Columbia Gorge ("Friends") and Save Our Scenic Area ("SOSA"). Friends and SOSA are nonprofit conservation advocacy organizations dedicated to the protection and enhancement of the resources of the Columbia River Gorge region. Petitioners' members live in the communities and use and enjoy the resources that would be affected by the proposed Whistling Ridge Energy Project, proposed by Whistling Ridge Energy LLC ("WRE").

BPA has before it a generation interconnection request ("GIR") for the WRE project ("WREP"), which is described on BPA's website as follows:

In June 2002, SDS Lumber Company submitted a generation interconnection request for 70-MW on the North Bonneville-Midway 230-kV transmission line approximately five miles West of BPA's

Underwood Substation. Subsequently, SDS Lumber Company created a new limited liability company called Whistling Ridge Energy LLC, which submitted an application with WA EFSEC for site certification for the wind project. Whistling Ridge Energy LLC would finance, develop, own and operate the proposed wind project. The proposed wind facility would consist of up to approximately 50, 1.2- to 2.5-MW wind turbines up to 426 feet tall, as well as infrastructure such as newly-constructed and improved roads, transformers, underground collector lines, a substation, and an operations and maintenance (O&M) facility.

BPA's project description goes on to state that a Final Environmental Impact Statement ("FEIS") has been prepared for the project in consultation with the Washington State Energy Facility Site Evaluation Council (EFSEC). BPA's website goes on to say that

EFSEC must decide on a recommendation to the Governor of Washington to approve or deny the issuance of the requested site certificate to Whistling Ridge Energy LLC, and BPA must decide whether to allow the requested interconnection to its transmission system. EFSEC made its recommendation to the Governor in January 2012, and BPA plans to issue a Record of Decision (ROD) concerning the proposed interconnection by April 2012. If the State of Washington decides to approve the site certificate for the Project and BPA decides to grant the requested interconnection, Project construction activities could begin after all the necessary approvals have been granted. If approved, construction activities are expected to occur for a 12-15 month duration period.

On March 5, 2012, Governor Gregoire adopted EFSEC's recommendation and reduced the number of turbines in the project from 50 to 35 because of aesthetic and other concerns.

As organizations and individuals interested in the Whistling Ridge project and the future of the Columbia Gorge, we write today to ask that BPA deny the GIR sought by WRE, for the reasons stated below.

1. LACK OF AGREEMENT BY WRE TO THE SITE CERTIFICATION AGREEMENT.

As BPA is aware, on March 5, 2012, the Honorable Christine Gregoire denied 15 of the proposed 50 wind turbines and signed the Site Certification Agreement (SCA). The signed copy of the SCA may be found on the EFSEC website:

<http://www.efsec.wa.gov/Whistling%20Ridge/SCA/Govs%20Signed%20WR%20SCA.pdf>.

The project applicant did not challenge the Governor's decision.¹ As indicated above, the SCA is a contract, requiring the signature of the applicant before it can be implemented. However, as of this writing, the SCA has not been signed by WRE. Absent acceptance by the applicant, none of the terms adopted by the Governor are binding. These include multiple provisions for protection of the environment, including plans for stormwater, site restoration, habitat, vegetation and fish and wildlife mitigation. See SCA pages 18-24. BPA certainly cannot fulfill its environmental responsibilities without verification that these mitigation provisions will be carried out.

Unless and until the SCA is signed by the applicant WRE, only the state of Washington has approved it. As such the GIR cannot be approved by BPA.

2. THE PROJECT DETAILS OF THE WHISTLING RIDGE PROJECT ARE CURRENTLY UNKNOWN, MAKING ANY GENERATION INTERCONNECTION APPROVAL PREMATURE AND INAPPROPRIATE.

As noted above, the application for generation interconnection indicates that the WRE project "would consist of up to approximately 50, 1.2- to 2.5-MW wind turbines up to 426 feet tall." However, this information is now inaccurate for two reasons.

First, the maximum number of turbines has been reduced from 50 to 35.

Second, the applicant has not disclosed the number, size, locations, capacity or manufacturer of the turbines proposed for the site. According to the applicant, 35 turbines with a nameplate capacity of 2.5 MW cannot be located in the turbine corridors approved by the Governor.

By way of background, following EFSEC's recommendation to the governor, WRE filed a Motion for Reconsideration, which is attached hereto as Exhibit A. In its motion, WRE stated clearly that two corridors (E-1-E2 and F1-F3) "likely are not viable if turbines larger than 2 MW are used." Reconsideration Motion at page 2,

¹ The EFSEC statute requires that any challenges to the Governor's approval and the SCA must be brought in Thurston County Superior Court within 30 days. See RCW 80.50.140. WRE did not challenge the Governor's decision on Whistling Ridge, but SOSA and Friends filed a Petition for Review in Thurston County on April 4, 2012 under Cause Number 12-2-00692-7. A copy of this Petition will be sent to you under separate cover.

lines 9-10. WRE goes on to say that “thirty 2.5-MW turbines cannot physically be sited in those remaining turbines corridors.” *Id.* at page 2, lines 20-21. WRE does say that thirty 1.5-MW turbines could be located on the existing corridors, but claims such a layout will not be economically viable (this issue will be discussed below).

Accordingly, per the submissions of the applicant there is in fact no present plan for the project reflecting the restrictions imposed by the Governor, including the number, size, locations, capacity, or manufacturer of the turbines, nor the total nameplate capacity of the project as a whole.

Lacking this information, the proposal does not meet the “Information Required for Interconnections” in the “Technical Requirements for Interconnection to the BPA Transmission Grid STD-N-000001.” The Technical Requirements require the applicant to provide generator data as follows:

4.6.3.2 Generator Data

If one or more generators are included as part of the connection request, the following data is needed. If different types of generators are included, data for each different type of generator and generator step up transformer is needed. Generator data is required at execution of the System Impact Study agreement and again at execution of the Interconnection agreement (LGIA or SGIA) or construction agreement.

4.6.3.2.1 Generator General Specifications

Energy source (e.g., wind, natural gas, hydro, bio-mass, bio-gas, solar, geothermal, etc.)

- Number of rotating generators
- Number of turbines and type: wind, combustion, steam, hydro, engine generator, etc.
- Number and nameplate rating of static conversion devices (e.g. inverters for solar photovoltaic projects)
- Total nameplate rating in MW, (@ 0.95 PF for synchronous generators)
- Station service load for plant auxiliaries, kW and kvar
- Station service connection plan

As to wind farms, specific data for the anticipated installations is also required:

4.6.3.2.4 DC Sources

If the generator project includes dc sources such as fuel cells or photovoltaic devices, provide the number of dc sources and maximum dc power production per source in kW.

4.6.4 Wind Farm and other Variable Generation Data

Requirements The following data is required of each asynchronous

variable Generation Plant consisting of multiple generation units connected via a network (collector) system proposed or in operation within BPA's Balancing Area 20 MW or larger (Large Generation Interconnection Requirements). Similar data may be required for Small Generation consisting of multiple generation units and other asynchronous generation. The information is required to meet the WECC/NERC compliance requirements for Generation Owners / Generation Operators (GO/GOp). This information is to be provided at the specific times as follows:

- Interconnection Request - the initial data submittal with the Generation interconnection request shall include at minimum the proposed Wind Turbine Generator (WTG) manufacturer and data sheet(s), and main transformer(s) size and impedance.
- Study Stage - At the initiation of the Interconnection System Impact Study, at minimum provide updated WTG manufacturer and data sheets(s), main transformer size and impedance, and a collector system single line diagram that includes any proposed reactive equipment. Failure to provide this data will delay performance of the Interconnection System Impact Study.

Because WRE has not submitted a plan for the number, nameplate rating, manufacturer or other pertinent information regarding its generation facilities proposed to be connected to the FCRTS, the current application should be denied.

3. BECAUSE THE APPLICANT CONCEDES THE WHISTLING RIDGE PROJECT IS ECONOMICALLY UNVIAIBLE, BPA SHOULD NOT APPROVE ANY INTERCONNECTION REQUEST.

In the attached motion for reconsideration filed with EFSEC, WRE emphatically claimed that the reduction from 50 to 35 turbines would make the whole Whistling Ridge project "economically unviable." For example, at page 2 of its Reconsideration Motion (attached as Exhibit A), WRE said the following:

- "In fact, extensive testimony in the record evidences that the recommended Project (with the deleted turbine strings) likely is not economically viable." (Emphasis in original).

- In reference to EFSEC's decision to eliminate specific turbine strings, WRE said: "The A1-A7 turbine corridor has a robust wind resource, and eliminating it and the C1-C8 turbine corridor 'kills the project.'" WRE's motion cited the testimony of the president of SDS and WRE, Jason Spadaro.

● At pages 2-3, WRE cites to page 2-21 of the FEIS (also referenced by BPA in its analysis of the project quoted above) as follows:

“In sum, the Project size was selected to optimize Project energy output and economic feasibility. A smaller wind turbine facility would be unlikely to offset Project development costs. A larger project would require additional infrastructure capacity and transmission capacity.”

● At page 3, WRE's motion states that “an economically unviable project results in no project.”

In summary, the applicant claims that the Whistling Ridge project is not economically viable at 35 or fewer turbines. Perhaps this is the reason that WRE has not presented even the general details of the project, such as the number, size and locations of the proposed turbines.

Under these circumstances, and given the multiple other applicants requesting generation interconnection, it makes no sense for BPA, to approve the Whistling Ridge request. BPA first needs to know that there is strong indication of a serious project.

The Whistling Ridge project is different from other projects vying for a position in the transmission queue. Whistling Ridge has finalized its review before EFSEC and Governor Gregoire, the result of which is that the project is not economically viable, according to the applicant. As WRE has stated, “an economically unviable project results in no project.” Since there is no project, there is no basis for approving the Whistling Ridge project for placement in the transmission interconnection queue.

4. CONCLUSION.

Friends and SOSA request that the BPA deny WRE's generation interconnection request for the Whistling Ridge project. First, without proof of WRE's execution of the SCA, demonstrating that the applicant will abide by the approvals given by EFSEC and the Governor, including environmental protection and mitigation measures, no generation interconnection request can be granted. Second, the applicant has provided no information regarding the number, nameplate rating or other essential information regarding the project that allows anyone to even describe the project for interconnection purposes. Third, the applicant has asserted that the project, as limited to 35 turbines, is not economically viable. BPA should not approve a GIR for a project that has become uneconomically unviable as a result of size reductions necessitated by environmental protection and the public interest.

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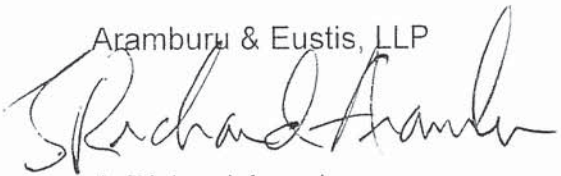
Thank you in advance for your consideration of our request. We would like to meet personally with you and other staff to discuss this matter if you are available. We will call or email in the next several days to set up an appointment if that is possible.

To the extent that there are responses by staff, the applicant or others to the comments made in this letter, please forward them to the undersigned.

Should you have questions regarding this letter, please contact the undersigned.

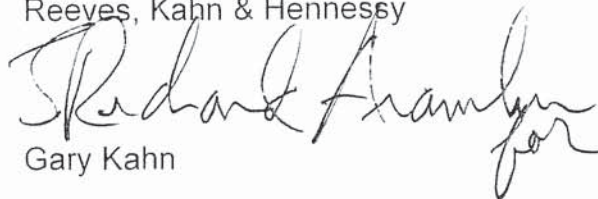
Sincerely yours,

Aramburu & Eustis, LLP



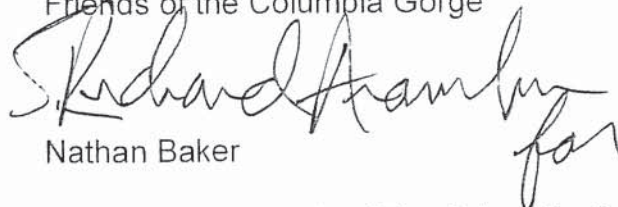
J. Richard Aramburu
Attorney for SOSA

Reeves, Kahn & Hennessy



Gary Kahn

Friends of the Columbia Gorge



Nathan Baker

Attorneys for Friends of the Columbia Gorge

JRA:cc

cc: Clients