Grays Harbor PUD Responds to Radar Ridge Decision

Local News

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After four years and an investment of more than $4 million, the participating public utility districts and Energy Northwest voted last Thursday to terminate development of the Radar Ridge Wind Project near Naselle, Wash. The participating PUDs are Pacific County, Grays Harbor, Clallam County and Mason County 3. The project would have provided economic benefits to All Counties at a time when many communities are struggling, bringing new jobs and creating millions of dollars in both direct and indirect activity; as well as increased tax revenue to local communities.

In May of 2010, the Grays Harbor PUD Board of Commissioners decided not to move forward with development of the project amid concerns about the value of the project based on future markets, increasing permitting costs, anticipated extended time lines for permitting, and an approaching lease deadline for the project site. At that time, Grays Harbor PUD opted to retain a minimal 1/2% share to protect the PUD’s interests in hopes the project could be successfully permitted and the District’s share would be acquired by another interested party. Grays Harbor PUD’s investment in the project was approximately $985,861. Most of this was invested in the first year and used for development of a project the District believed would be extremely viable. “Even with successful permitting, the value proposition for this project is not there based on what we are seeing in the market,” said Rick Lovely, General Manager of Grays Harbor PUD. The project, proposed to help some of Energy Northwest’s member utilities in meeting their state mandated renewable energy I-937 requirements, would have generated up to 82 megawatts of electricity – enough energy to power approximately 18,000 homes. It was planned to consist of up to 32 wind turbines and be the first large-scale wind project in western Washington. The project was also favored for its “winter peaking” potential because it was expected to produce the majority of its power in the winter months when the participating utilities need it most. Radar Ridge would not have faced many of the transmission issues facing eastern Washington wind projects. “A tremendous amount of work has been poured into this project by the participants and Energy Northwest to make this a viable, beneficial energy resource for our members,” said Jack Baker, Energy Northwest vice president. “We are disappointed development could not continue, but the permitting framework U.S. Fish and Wildlife Service imposed on us going forward and schedule uncertainty was untenable.” The project site, located on a ridge near Naselle, Washington has experienced industrial activity for several decades including logging, development of roads, a gravel quarry operation, and a U.S. Air Force radar facility. Project opponents including the Seattle Audubon Society, objected to the use of the site as for a wind project claiming it was environmentally sensitive due to its proximity to Marbled Murrelet habitat. Murrelets are listed as a threatened species of seabird. Unprecedented and extensive independent environmental impact studies conducted by experts over a 3 year period confirmed the site is not suitable habitat for the Marbled Murrelet and the bird’s flight over the proposed site is infrequent and at relatively high altitude compared to wind turbine height. These studies were validated by a scientific peer review. Energy Northwest sought an incidental take permit from the U.S. Fish and Wildlife Service because those studies showed one bird could be harmed every two years. However, USFWS recently presented the

participants with its draft National Environmental Policy Act (NEPA) alternative, which placed severe and detrimental conditions on the eventual operation of the project. Those conditions included shutting down the project’s wind turbines during daylight hours for six and a half months out of the year; creating a $10 million mitigation “fund” for the USFWS, not tied to Radar Ridge impact; granting only a five-year permit (instead of the standard 30-year permit), to be extended thereafter, following environmental reviews; and installing on the turbines new, unproven bird monitoring technology at great expense, which provides no mitigation value. These proposed permit conditions, along with USFWS’ continued delays in meeting key permitting deadlines, and a recent softening of the overall wind power market, caused a re-evaluation of the project, and the subsequent vote. “U.S. Fish and Wildlife had stated up front obtaining the permits would not be easy, quick or cheap. They were right,” Baker said. “However, we expected the conditions for the permit to be reasonable and based on the science. They were not.”