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DEPARTMENT OF ENERGY

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September 23, 2010

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VIA E-MAIL

Mr. Thomas M. Stoops
 Energy Facility Siting Assistant Director
 Oregon Department of Energy
 625 Marion Street NE, Suite 1
 Salem, OR 97301-3742

Re: Montague Wind Power Facility - Request for Determination that No Site Certificate Amendment is Required for Proposed Alteration

Dear Tom:

On behalf of Montague Wind Power Facility LLC ("Montague"), a wholly-owned subsidiary of Iberdrola Renewables, Inc. ("IBR"), we submit to the Oregon Department of Energy ("ODOE") a request for determination pursuant to OAR 345-027-0050(5) that the proposed alteration to the Montague Wind Power Facility ("Facility") as described below, does not require an amendment to the Site Certificate for the Montague Wind Power Facility, dated September 10, 2010 ("Site Certificate"). To demonstrate that an amendment is not required, Montague provides a description of the proposed alteration and addresses the proposed change under OAR 345-027-0050(2) and (3).

Description of the Proposed Change. The Facility is a wind power facility authorized for construction and operation in Gilliam County, Oregon. The Site Certificate describes the Facility and its related or supporting facilities located within the Facility site boundary. The Facility site boundary abuts the Leaning Juniper II Wind Power Facility ("LJII") site boundary, which is owned and operated by Leaning Juniper Wind Power II LLC ("LJII LLC") under the First Amended Site Certificate for the Leaning Juniper II Wind Power Facility ("LJII Site Certificate"), dated November 20, 2009. LJII LLC is also a wholly-owned subsidiary of IBR.

Montague seeks to construct an approximately 1,000-foot segment of a Facility access road within the LJII site boundary and outside of the Facility site boundary, as shown on attached Figure 1. This road segment would provide access to the Facility site via the LJII KK access road that is used jointly by Montague and LJII LLC within the LJII site boundary, and ultimately connects with Montague Lane. The new road segment is needed to provide access to Facility



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turbines from the west. Extending the existing LJII access road through wheat fields in the LJII site boundary to the edge of the Facility site boundary allows Montague to avoid having to construct a long, circuitous road around Washington ground squirrel colonies and Category 1 habitat within the Facility site boundary.

LJII LLC and Montague entered into a development cooperation and master crossing agreement and Montague has the legal right to use the existing LJII access road and to construct and use the approximate 1,000-foot access road segment within the LJII site boundary upon ODOE's confirmation that no Site Certificate amendment is required. The proposed road segment would be on wheat land, previously surveyed as a part of the LJII Site Certificate approval and determined to be Category 6 habitat. Further, the temporary and permanent impacts associated with this change would not cause the Facility to exceed the worst-case temporary and permanent impacts already approved in the Site Certificate.

Although the proposed change would result in a slight relocation of an access road segment, we do not believe that the anticipated change triggers the need to amend the Site Certificate, because the proposed change does not require an amendment under OAR 345-027-0050(1), the proposed change is in substantial compliance with the terms and conditions of the Site Certificate consistent with OAR 345-027-0050(2), and the proposed change otherwise complies with the applicable Council standards referenced in OAR 345-027-0050(3).

Analysis under OAR 345-027-0050(1). This rule requires a certificate holder to submit a request to amend a site certificate where the certificate holder seeks to design, construct, or operate a facility in a manner different from the description in the site certificate, and if one of the three conditions is met, unless an exception is allowed under OAR 345-027-0050(2) and (6). The Site Certificate describes access roads as related or supporting facilities to the Facility that provide access to the turbine strings. See page 3 of the Site Certificate. The Final Order further provides that the Facility site overlaps with the sites of LJII and the Pebble Springs Wind Project, and that the Facility site would include easements across areas occupied by LJII and the shared use of access roads within those easements. See page 11 of the Final Order. While the proposed change to the access road is not shown in Revised Figures C-4, C-5a through C-5d, C-6 and C-7a through C-7d as one of the road easement corridors shared with LJII, the road segment would still be located within a road easement corridor shared with LJII, and thus, is arguably within the scope of the Site Certificate. However, even if the proposed relocation of the road segment is beyond the description in the existing Site Certificate, Montague believes the new proposed change of the 1,000-foot road segment does not fall within one of the three conditions for amendment.



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First, the proposed change will not result in a significant adverse impact that the Council has not addressed in an earlier order, where the impact would affect a resource otherwise protected by Council standards. The change would be minor, and the temporary and permanent habitat impacts associated with this change would not cause the Facility to exceed the worst-case temporary and permanent impacts already approved in the Site Certificate. Further, the final habitat impacts will be determined as a part of the pre-construction final habitat impact calculations. Additionally, surveys were already conducted for this area as a part of the LJII Site Certificate, and in any event, before beginning construction of the road segment, Montague will conduct the required survey work for locations not previously investigated as required by the existing Site Certificate conditions for the protection of (a) cultural resources, (b) water, soils, streams, and wetlands, and (c) plants, wildlife, and habitat.

Second, the change will not impair Montague's ability to comply with a Site Certificate condition. The certificate holder intends to submit a legal description of the site to ODOE within 90 days after beginning operation of the Facility, which would clearly identify the exact location of the access roads (Condition 2).

Third, the proposed change will not require a new condition or change to a condition in the Site Certificate.

Analysis under OAR 345-027-0050(2). A site certificate amendment is not required if the proposed change in the design, construction, or operation of the facility is in substantial compliance with the terms and conditions of the site certificate and is a change in one of five categories.

Here, the proposed change involves the minor relocation of an access road segment. Montague is of the view that the proposed change is in substantial compliance with the terms and conditions of the Site Certificate, given the explanation in the Final Order that the Facility site overlaps with the sites of LJII and the Pebble Springs Wind Project, and that the Facility site would include easements across areas occupied by LJII and the shared use of access roads within those easements. See page 11 of the Final Order. Otherwise, the proposed change arguably falls within OAR 345-027-0050(2)(e), in that the change is "[t]o an aspect of the facility * * * not addressed in the site certificate." Again, the Site Certificate requires that a final legal description of the site be submitted to ODOE within 90 days after beginning operation of the facility, and such a description would clearly identify the exact location of the road segment (Condition 2).

Analysis under OAR 345-027-0050(3). If a certificate holder determines that a site certificate amendment is not required under OAR 345-027-0050(2), the certificate holder must nonetheless



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prepare a written evaluation of how the facility will still comply with all applicable Council standards. Accordingly, Montague hereby submits this written evaluation in accordance with OAR 345-027-0050(3) describing how the Facility still complies with applicable Council standards.

OAR 345-022-0010 Organization Expertise. The proposed change has no effect on the organization expertise of Montague to construct, operate, and retire the Facility. Montague will remain the certificate holder and meets OAR 345-022-0010.

OAR 345-022-0020 Structural Standard. The proposed change has no effect on Montague's ability to design, engineer, and construct the facility to meet applicable building code requirements or avoid dangers to human safety.

OAR 345-022-0022 Soil Protection. The proposed change does not increase the overall footprint of the existing Facility, increase runoff or erosion, contribute to salt deposition from cooling towers, increase the potential of chemical spills, or involve land application of liquid effluent. Therefore, the proposed change will not affect Montague's ability to meet OAR 345-022-0022. In particular, before beginning construction of the road segment, the certificate holder will conduct the required survey work for locations not previously investigated as required by the existing Site Certificate conditions for protection of water, soils, streams, and wetlands.

OAR 345-022-0030 Land Use. The proposed change does not alter the approved use or increase the footprint of the Facility. Montague will continue to comply with all applicable codes and regulations. Therefore, the proposed change will not affect Montague's ability to satisfy OAR 345-022-0030.

OAR 345-022-0040 Protected Areas. There were no conditions specifically related to protected areas in the Site Certificate. The proposed change is limited to the minor relocation of an access road segment. Accordingly, the proposed change will not impact Montague's ability to comply with OAR 345-022-0040.

OAR 345-022-0050 Retirement and Financial Assurance. The proposed change will have no impact on Montague's ability to adequately restore the site to a useful non-hazardous condition following cessation of the Facility's operation. The cost associated with retiring the access road segment would not cause the Facility to exceed the worst-case cost already approved in the Site Certificate and the cost associated with retiring the access road segment will be included in the financial assurance amount posted prior to construction. Therefore, the proposed change will not affect Montague's ability to satisfy OAR 345-022-0050.



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OAR 345-022-0060 Fish and Wildlife Habitat. The proposed change does not affect Montague's compliance with OAR 345-022-0060 or the related conditions of approval in the Site Certificate. As mentioned above, the 1,000-foot road segment would impact Category 6 wheat land. Plus, before beginning construction of the road segment, the certificate holder will conduct the required survey work for locations not previously investigated as required by the existing Site Certificate conditions for plants, wildlife, and habitat.

OAR 345-022-0070 Threatened and Endangered Species. The proposed change will have no impact on threatened or endangered species. Therefore, the proposed change will not affect Montague's ability to comply with OAR 345-022-0070.

OAR 345-022-0080 Scenic Resources. The proposed change has no impact on scenic resources. Therefore, the proposed change will not impact Montague's ability to meet OAR 345-022-0080.

OAR 345-022-0090 Historic, Cultural, and Archaeological Resources. The proposed change will not increase the Facility's footprint, and will not affect Montague's ability to comply with OAR 345-022-0090. This area was surveyed prior to issuance of the LJII Site Certificate, and before beginning construction of the road segment, the certificate holder will conduct the required survey work for locations not previously investigated as required by the existing Site Certificate conditions for protection of cultural resources.

OAR 345-022-0100 Recreation. The proposed change will have no impact on Montague's ability to comply with OAR 345-022-0100 as the relocated road segment will have no impact on any identified significant or important recreational opportunity.

OAR 345-022-0110 Public Services. The proposed change will not impact Montague's ability to meet Site Certificate conditions pertaining to water use or wastewater discharge. Further, the proposed change does not result in any potential impacts to traffic, fire protection, health care, housing, or schools. Therefore, the proposed change will not affect Montague's ability to comply with OAR 345-022-0110.

OAR 345-022-0120 Waste Minimization. The proposed change will not impact Montague's efforts to minimize wastes to the extent reasonably practicable. Therefore, the proposed change will not affect Montague's ability to comply with OAR 345-022-0120.

Conclusion. As discussed above, the proposed change does not impair Montague's ability to substantially comply with the terms and conditions of the Site Certificate or meet all applicable Council standards. Thus, in accordance with OAR 345-027-0050(1), (2), and (3), Montague



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believes the proposed change does not require an amendment of the Site Certificate. Montague respectfully requests that ODOE confirm this determination pursuant to OAR 345-027-0050(5).

Thank you for your time and consideration. If you have questions or if additional information is needed to make this determination, please do not hesitate to contact me.

Very truly yours,

Elaine R. Albrich

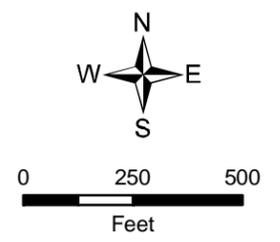
ERA/pjn
Enclosure: Figure 1

cc: John White, Oregon Department of Energy
Sara Parsons, Iberdrola Renewables, Inc.
Jeffrey Durocher, Iberdrola Renewables, Inc.
David Filippi, Stoel Rives LLP



Figure 1
Change Request to
Montague Site Boundary -
New Leaning Juniper IIB
Connector Road
 1.5-MW Turbine Layout
 (Maximum Turbine Layout)
 Montague Wind Power Facility

-  Proposed New Access Road
-  Site Boundary
-  Proposed Change
-  Leaning Juniper IIB Site Boundary
- Proposed Permanent Facilities**
-  Approved LJ2B Turbine
-  Approved LJ2B Met Tower
- Existing Facilities**
-  As-Built LJ2B Access Road - Proposed Use, No Improvements
-  Public Road
-  Private Road





Oregon

Theodore R. Kulongoski, Governor



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September 28, 2010

Mr. Elaine R. Albrich
Stoel Rives LLP
900 SW Fifth Ave, Suite 2600
Portland, OR 97204

Re: Montague Wind Power Facility
Change Request #1
Access road

Dear Elaine,

We have reviewed your request, dated September 23, for a Department determination under OAR 345-027-0050(5) that the construction of a segment of access road outside the previously-approved site boundary for the Montague Wind Power Facility does not require an amendment of the site certificate.

Access roads for the Montague facility are described at page 10 of the *Final Order on the Application* (September 10, 2010), and that description is incorporated in the Site Certificate. As described, there would be approximately 71 miles of new roads constructed for the facility. This includes access roads constructed in easements across land occupied by the Leaning Juniper II Wind Power Facility. In the change request, the certificate holder proposes a new road segment, approximately 1,000 feet in length, that would lie within the LII site boundary and connect the Montague facility to a shared access road (the LII KK access road) and ultimately to a public road (Montague Lane). Although the proposed road segment lies outside the previously-approved site boundary of the Montague facility, it would, as you state in your letter, lie on "wheat fields" and would avoid the need to construct a longer access road "around Washington ground squirrel colonies and Category 1 habitat" within the Montague site boundary.

Under OAR 345-027-0050(5), a certificate holder may ask the Department to determine whether a proposed change requires a site certificate amendment by submitting a request describing the proposed change, the certificate holder's analysis under OAR 345-027-0050(1) and (2) and the evaluation described in OAR 345-027-0050(3). The Department may refer its determination to the Council.

In your letter, you propose that we conclude that an amendment is not required for the new road segment, based on an analysis of the amendment threshold criteria in OAR 345-027-0050(1). In addition, you suggest that the proposed new road segment might fall within the categories of changes that do not require a site certificate amendment under OAR 345-027-0050(2). Because access roads are a feature of the Montague facility that is addressed in the site certificate, we cannot find OAR 345-027-0050(2)(e) to be applicable. Nor can we apply any of the other subsections of OAR 345-027-0050(2) to this change request. We find that the proposed new road segment is not a type of change to the design, construction or operation of a facility that is addressed under OAR 345-027-0050(2).

Nevertheless, we agree that a site certificate amendment is not required by OAR 345-027-0050(1), because the proposed road segment would not "result in a significant adverse impact that the Council has not addressed in an earlier order." In your letter, you state that "the temporary and

permanent habitat impacts associated with this change would not cause the Facility to exceed the worst-case temporary and permanent impacts already approved in the Site Certificate." Further, you note that surveys of the affected land have been conducted (in support of the Council's approval of the LJI Site Certificate) and that the certificate holder "will conduct the required survey work for locations not previously investigated as required by the existing Site Certificate conditions for the protection of (a) cultural resources, (b) water, soils, streams, and wetlands, and (c) plants, wildlife, and habitat. To be clear, these surveys, which are not now part of the record for the Montague facility, must be conducted by the certificate holder prior to construction of the new road segment. If constructed, the new road segment would become part of the Montague facility as a related or supporting facility, and all Montague site certificate conditions would apply to the road segment (including, for example, the obligation to restore the site if the facility ceases to operate).

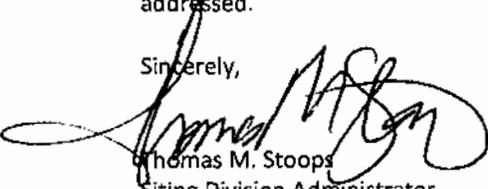
We also agree that a site certificate amendment is not required by OAR 345-027-0050(1)(b), because the construction and use of the new road segment would not "impair the certificate holder's ability to comply with a site certificate condition." The proposed 1,000-foot road segment, as described in your letter, complies with Condition 3, which requires the certificate holder to design and construct the Montague facility "substantially as described in the site certificate." The proposed road segment would be included in the calculation of the financial assurance (required under Conditions 8 and 32), which has not yet been submitted by the certificate holder. The proposed modifications, as you have noted, would not impair the certificate holder's ability to comply with site-specific conditions related to access roads (including, but not limited to, Conditions 2, 31, 39, 40, 49, 71, 72, 80, 82, 83, 92 and 101.

We agree that a site certificate amendment is not required by OAR 345-027-0050(1)(c), because the new road segment would not "require a new condition or a change to a condition in the site certificate." The site certificate already contains adequate conditions to address the impacts of construction and use of the new road segment.

You have provided an evaluation of whether the proposed new access road segment would comply with applicable Council standards. On pages 5 and 6 of your letter, you have summarized the effect of the proposed road segment on compliance with the siting standards. We agree that the proposed change would not significantly affect the Council's previous findings of compliance with the standards. As noted above, the *Final Order* referred to the use of access roads constructed in easements across land occupied by the Leaning Juniper II Wind Power Facility.

For the reasons discussed above, we have determined that a site certificate amendment proceeding is unnecessary and that the certificate holder may construct the new access road segment as described in your letter. Please advise the certificate holder to include a description of this change request and our determination in the first annual report required under OAR 345-026-0080 and Condition 21 of the site certificate. In the annual report, we request that the certificate holder describe any unanticipated impacts that result from construction of the access road segment and how any such impacts were addressed.

Sincerely,



Thomas M. Stoops
Siting Division Administrator
Oregon Department of Energy

cc: Sara Parsons
Jeffrey Durocher
Janet Prewitt

Letter #83