[Billing Code 6450-10-P]

U.S. DEPARTMENT OF ENERGY

Revised Record of Decision for Offer of Conditional Commitment for a Loan Guarantee for, and Electrical Interconnection of, the Shepherds Flat Wind Project.

AGENCY: U.S. Department of Energy (DOE), Loan Programs Office (LP) and Bonneville Power Administration (BPA).

ACTION: Revised Record of Decision (ROD).

SUMMARY: The U.S. Department of Energy announces its decisions to provide a conditional loan guarantee for, and interconnection to the Federal Columbia River Transmission System (FCRTS) of, the 846-megawatt (MW) Shepherds Flat Wind Project (Wind Project) in Gilliam and Morrow counties, Oregon. This ROD revises a previous BPA ROD approving the interconnection of the Wind Project to the FCRTS that was issued on July 18, 2008. The Revised ROD reflects the decisions with regard to the Wind Project for: the issuance by BPA of modified Large Generator Interconnection Agreements (LGIAs); and the offer by LP of a conditional commitment for a loan guarantee to Caithness Shepherds Flat, LLC (CSF) for construction of the Wind Project. The Revised ROD also addresses the division of the previously approved Wind Project into three separate projects, and the transfer of these projects to three separate

subsidiaries of CSF that will result in additional turbines, adjustments of site boundaries and additional acreage.

FOR FURTHER INFORMATION CONTACT: Doug Corkran, Bonneville Power Administration, KEC-4, P.O. Box 3621, Portland, Oregon, 97208-3621; toll-free telephone number 1-800-622-4519; fax number 503-230-5699; or e-mail dfcorkran@bpa.gov; and Matthew McMillen, Director, Environmental Compliance Division, Loan Programs Office (LP-1), U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC, 20585; telephone 202-586-7248; or e-mail Matthew.McMillen@hq.doe.gov. For general information about the DOE National Environmental Policy Act (NEPA) process contact Carol Borgstrom, Director, Office of NEPA Policy and Compliance (GC-54), U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC, 20585; telephone 202-586-4600; leave a message at 800-472-2756; or e-mail AskNEPA@hq.doe.gov. Information about DOE NEPA activities and access to many DOE NEPA documents are available through the DOE NEPA Web site at http://www.nepa.energy.gov.

ADDRESSES:

Copies of the Revised ROD, the July 2008 ROD for the Electrical Interconnection of the Shepherds Flat Wind Project, the Business Plan Environmental Impact Statement and Business Plan ROD may be obtained by: (1) calling the BPA toll-free document request line, 1-800-622-4520, (2) submitting a request to the BPA Public Information Center,

P.O. Box 12999, Portland, Oregon, 97212, or (3) accessing these documents on the BPA NEPA document Web site at http://www.efw.bpa.gov/environmental_services/nepadocs.aspx. The Revised ROD will also be posted on the DOE LP Web site at www.lgprogram.energy.gov and the DOE NEPA website at http://www.nepa.energy.gov.

SUPPLEMENTARY INFORMATION

Introduction

On July 18, 2008, the BPA issued a ROD to interconnect the proposed Wind Project to the FCRTS (73 FR 43730, July 28, 2008). DOE, through its Loan Programs Office, and BPA, are issuing this Revised ROD to address actions by the project developers subsequent to the 2008 ROD: a loan guarantee application submitted to LP, and applications to BPA for Large Generator Interconnection Agreements related to the transfer of ownership of the Wind Project to three wholly owned subsidiaries. The Wind Project, as modified, has been approved by the Oregon Energy Facility Siting Council (EFSC).

As with the decision made by BPA for the originally proposed Wind Project, BPA and LP decisions concerning the revised Wind Project are consistent with and tiered to the BPA Business Plan Final Environmental Impact Statement (BP EIS) (DOE/EIS-0183, June 1995), and the Business Plan Record of Decision (BP ROD, August 1995).

Background

The BPA, a power marketing administration within DOE, owns and operates most of the high-voltage electric transmission system in the Pacific Northwest. This system is known as the FCRTS. In 2004, CSF submitted a generator interconnection request to BPA to interconnect the proposed Wind Project to the FCRTS. In its July 2008 ROD, BPA decided to offer contract terms (called a Large Generator Interconnection Agreement [LGIA]) to CSF for interconnection of the Wind Project to the FCRTS.[1] Under this LGIA, up to 846 megawatts (MW) of power from the Wind Project will be interconnected at the existing Slatt Substation in Gilliam County, Oregon. To provide the interconnection, BPA is in the process of expanding its Slatt Substation to accommodate a 230-kilovolt (kV) yard and will provide transmission access for up to 846 MW from the Wind Project to the BPA 500-kV transmission system.[2]

In November 2009, CSF applied to DOE LP for a loan guarantee for the Wind Project. DOE established the LP in response to Title XVII of the Energy Policy Act of 2005 (42 U.S.C. 16511–16514), which authorizes the Secretary of Energy to make loan

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[1] In July 2008, CSF received a Site Certificate from EFSC that authorized CSF to construct and operate the Wind Project.

[2] The BPA July 2008 ROD contains a full description of the interconnection and associated environmental considerations.

guarantees for projects that (1) avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases, and (2) employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time the guarantee is issued. Section 406 of the American Recovery and Reinvestment Act of 2009 (42 U.S.C. 16516; Recovery Act) amended Title XVII to create Section 1705 authorizing a new program for rapid deployment of renewable energy projects and related manufacturing facilities, and electric power transmission projects that commence construction no later than September 30, 2011. Section 1705 is designed to address national economic conditions, in part, through the advancement of renewable energy and transmission. CSF submitted its application for a loan guarantee in response to LP's solicitation, Financial Institution Partnership Program - Commercial Technology Renewable Energy Generation Projects, issued October 7, 2009.

Subsequent to issuance of the BPA July 2008 ROD originally approving the interconnection, CSF initiated certain changes to the originally proposed Wind Project. In May 2009, CSF transferred ownership and control of its Wind Project to three wholly owned subsidiaries of CSF – Horseshoe Bend Wind, LLC, South Hurlburt Wind, LLC, and North Hurlburt Wind, LLC. In June 2009, these CSF subsidiaries submitted a joint request to the Oregon Department of Energy (ODOE), which serves as the primary staff for the EFSC, to transfer the Site Certificate for the Wind Project to the subsidiaries under three separate site certificates and to divide the Wind Project into three separate facilities, as follows:

- Shepherds Flat South (SFS), to be constructed, owned, and operated by Horseshoe Bend Wind LLC
- Shepherds Flat Central (SFC), to be constructed, owned, and operated by South Hurlburt Wind LLC
- Shepherds Flat North (SFN), to be constructed, owned, and operated by North Hurlburt Wind LLC

In September 2009, the EFSC approved this request and issued three new site certificates to the three CSF subsidiaries. See *Final Order on Amendment #1 – In the Matter of the Request for Amendment #1 of the Site Certificate for the Shepherds Flat Wind Farm* (available on the web at http://www.oregon.gov/ENERGY/SITING/decisions.shtml#SFWF091109).

In November 2009, each of the CSF subsidiaries submitted a separate Request for Amendment of their respective Site Certificates to the ODOE to, among other things, incorporate their turbine selections, conform the overall project MW capacity to the authorized interconnection capacity, and revise the project boundaries for each of their wind projects. The ODOE and the EFSC evaluated and considered these requests, and the EFSC issued Final Orders approving the requests on March 12, 2010. See *Final Order on Amendment #1 – In the Matter of the Request for Amendment #1 of the Site Certificate for Shepherds Flat South, Final Order on Amendment #1 – In the Matter of*

the Request for Amendment #1 of the Site Certificate for Shepherds Flat Central, and *Final Order on Amendment #1 – In the Matter of the Request for Amendment #1 of the Site Certificate for Shepherds Flat North* (available at http://www.oregon.gov/ENERGY/SITING/decisions.shtml#SFN031210). The DOE has utilized the extensive project record developed by the EFSC to support these Final Orders and associated Amended Site Certificates in describing the environmental impacts presented in this Revised ROD.

The modifications to the Wind Project that have resulted from the changes in ownership and site certification, including the number of turbines and boundary changes, collectively referred to as the Modified Wind Project, are summarized below.

Concerning turbine selection, each CSF subsidiary has selected a 2.5-MW nameplate wind turbine generator for its portion of the Wind Project. The original Site Certificate contemplated a larger nameplate turbine (up to 3 MW), with up to 303 turbines installed. Based on the selected 2.5-MW turbine and the overall 846 MW of interconnect capacity, the EFSC Final Orders authorized an increase in the number of wind turbines to 338, which will be distributed among the three wind projects as follows:

Facility	Original Turbines	Change in Turbines	Revised Total Turbines	Nameplate Rating	Facility Capacity
SFS	120	- 4	116	2.5 MW	290 MW
SFC	77	+ 39	116	2.5 MW	290 MW
SFN	106	0	106	2.5 MW	265 MW
Totals	303	+ 35	338		845 MW

The three CSF subsidiaries also have adjusted their respective site boundaries and turbine layouts to better accommodate each of their projects, as follows:

- Transferring approximately 2,413 acres originally approved for facility development from SFS to SFC;
- Assigning a 1,290-acre transmission line corridor to be shared by the SFS and SFC facilities to SFS;
- Expanding the SFS facility to include an additional 4,855 acres not previously considered for development to better site the SFS facility's approved number of turbines and reducing the amount of access roads by 9.7 miles;
- Expanding the SFC facility to include an additional 2,421 acres not previously considered for development to better site the SFC facility's approved number of turbines and increasing the amount of access roads by 8 miles;
- Transferring approximately 1,152 acres originally approved for facility development from SFC to SFN and expanding the SFN facility to include an additional 15 acres not previously considered for development. The combined 1,167 acres added to SFN are intended to accommodate an alternative transmission line corridor (to the one considered in the 2008 ROD) that extends from the SFS substation to the SFC substation and then to the BPA substation, bypassing the SFN substation. Use of the alternative corridor would result in shorter transmission line runs and eliminate one crossing of an existing high-

voltage power line and county road. SFN access roads would be decreased by 4 miles under the alternative corridor.

With these adjustments, the overall size of the project area has increased from approximately 22,390 acres to about 28,170 acres. However, only a very small portion of this expanded project area will actually be impacted by the increased project footprint resulting from the Modified Wind Project. As documented in the Amended Site Certificates, the area that will actually be occupied by permanent project facilities has increased from about 179.4 acres to 183.4 acres - an increase of about 4.0 acres in total. The rest of the expanded project area will remain in its current agricultural use and will not be affected by project facilities. Access roads for the Modified Wind Project will be reduced by 5.7 miles from the original project.

Public Process and Consideration of Comments

A public process conducted by the ODOE for the requested Site Certificate amendments provided opportunities for public comment. After the ODOE received these amendment requests from the three CSF subsidiaries, copies of the amendment requests were sent to a list of reviewing agencies on November 12, 2009, along with a memorandum from ODOE that requested submittal of any agency comments to the ODOE by December 11, 2009. On November 17, 2009, the ODOE sent notice of the amendment requests to all persons on the Oregon EFSC general mailing list, to persons on a mailing list specifically established for the proposed projects, and to an updated list of property owners supplied

by the three CSF subsidiaries. This notice also requested submittal of any public comments to the ODOE by December 11, 2009.

On February 4, 2010, the ODOE issued Proposed Orders for each of the three projects that included recommended findings and the conclusion for each project. The ODOE mailed notice of the Proposed Orders to the same mailing lists described above and also posted this notice on the ODOE Web site. The notice invited public comments and set a deadline of March 8, 2010, for public comments or contested case requests. Comments were received on the SFS Proposed Order and on the SFC Proposed Order. No comments were received on the SFN Proposed Order.

The ODOE and EFSC considered public comments in preparing the Final Order approving the Site Certificate amendments. Comments included concerns about cumulative effects to wildlife, impacts to Washington ground squirrels, and the appropriate designation of habitat types within the new wind project boundaries; groundwater use and impacts to aquifers; impacts to scenic values; impacts from turbine noise; facility lighting concerns; and impacts to the Oregon Trail. A summary of all comments received and the ODOE responses are included in the appendices of the Final Orders for each of the three projects (see http://www.oregon.gov/ENERGY/SITING/decisions.shtml#SFN031210).

Discussion of Environmental Effects

As discussed in the BPA July 2008 ROD, BPA reviewed the BP EIS and BP ROD to determine whether offering terms to interconnect the Wind Project was adequately covered in the scope of the previous programmatic review. The BP EIS supports a number of BPA decisions concerning, among other things, the interconnection of proposed generation to the FCRTS. BPA determined that its decision clearly fell within the scope of the BP EIS and BP ROD. The BPA July 2008 ROD described the environmental impacts that would result from the BPA interconnection facilities, and summarized the environmental impacts resulting from the Wind Project. BPA also based its July 2008 ROD on project and environmental information that was considered by EFSC as part of its Site Certificate application process, and on EFSC's findings in its June 11, 2008 Proposed Order and Final Order dated July 25, 2008). EFSC, as the siting authority for the Wind Project, fully analyzes potential environmental impacts of its siting decisions, and specifies mitigation measures to minimize impacts to natural resources. BPA's July 2008 ROD used these findings and other information to assess the Wind Project's environmental impacts.

Through this Revised ROD, BPA and LP jointly determine that the BP EIS and BP ROD adequately cover additional BPA and LP actions and decisions related to the Modified Wind Project, and that these actions and decisions do not represent a significant change relevant to environmental considerations from the July 2008 ROD. BPA and LP reviewed the additional project and environmental information considered by EFSC for the Modified Wind Project, as well as the EFSC findings in the Final Orders for the new site certificates. The environmental analyses and findings by EFSC indicate that no

significant impacts to natural resources (when compared to those already considered in the July 2008 ROD) will occur as a result of the Modified Wind Project. This Revised ROD has been developed by BPA and LP, in part, on the basis of the findings and the project record developed by EFSC.

BPA and LP also reviewed the BP EIS to ensure that the Modified Wind Project still fits within the environmentally preferred alternatives. In addition, BPA and LP considered the environmental benefits of energy from wind power, as opposed to fossil-fuel alternatives, and have determined those benefits to be substantial, particularly the avoidance of 1,215,991 tons of CO2 emissions per year. Finally, in the process of developing this Revised ROD, BPA and LP reviewed the extensive environmentally protective measures included in the Wind Project Site Certificate as a result of the EFSC process. These protective measures apply to the Modified Wind Project and will reduce potential environmental impacts considerably. Based on this review, DOE believes the proposed Modified Wind Project is an environmentally preferable alternative to generation of the equal amount of electricity generated by conventional fossil-fuel sources.

Because the Wind Project is now divided into three separate wind facilities and owned by three separate entities (the three CSF subsidiaries), BPA will modify its LGIA for the Wind Project by issuing three new LGIAs to replace the single LGIA it had previously issued. BPA issuance of three new LGIAs is strictly an administrative contract action to bring BPA agreements in alignment with the change in Wind Project parties that has been

authorized by EFSC. BPA is not undertaking any activities beyond those considered in the July 2008 ROD, with the exception of placing some metering equipment at one additional customer substation. However, because this equipment will be placed within the boundaries of the substation, this activity will not cause a significant change in environmental effects already considered in the July 2008 ROD.

The LP offer of a conditional commitment for a loan guarantee to the developers of the Wind Project will not result in significant environmental impacts beyond those considered in the July 2008 ROD. The potential environmental impacts from development of the Wind Project by the CSF subsidiaries are considered to be a consequence of providing the loan guarantee, and these impacts have already been evaluated and considered through the July 2008 ROD, as modified by this Revised ROD.

The following section describes the environmental impacts associated with changes to the Wind Project that the CSF subsidiaries initiated after EFSC issued Wind Project Site Certificate in July 2008. EFSC approved these changes in its March 2010 Final Orders for the Modified Wind Project. This description of impacts is based on the EFSC environmental considerations and findings for the Modified Wind Project, as contained in the March 2010 Final Orders, associated Amended Site Certificates, and other parts of the EFSC project record.

Land Use and Recreation

While the overall size of the project area will increase from approximately 22,390 acres to about 28,170 acres, only a very small portion of the expanded project area will be

affected by increased project footprint (i.e., the land area that will be occupied by permanent structures) from the Modified Wind Project. The revised footprint areas that will be used for siting the Modified Wind Project facilities are currently in the same type of land use (i.e., agricultural) as previously approved for the original Wind Project. About 136.5 acres in Gilliam County (up from 135.9 acres) and about 46.8 acres in Morrow County (up from 43.5 acres), for a total of 183.3 acres (originally 179.4 acres), will be removed from agricultural production for the wind turbines and associated facilities. This small increase (4.0 acres) in affected agricultural uses does not represent a significant change in impacts to land use. There are no designated recreational facilities or activities on the project site. The land is posted to prevent trespass and hunting. There will be no impacts to recreation from the project.

Transportation

The Modified Wind Project will reduce new access roads by 5.7 miles as compared with the original Wind Project. Because the type of access road will be the same as proposed originally and there is no change in the amount or mix of vehicles related to the Modified Wind Project, impacts to existing transportation infrastructure and traffic patterns are expected to be the same as considered in the July 2008 ROD.

Geology and Soils

The area of temporary and permanent disturbance to soils will increase with the Modified Wind Project. However, given the small change in disturbed area (4.0 acres), impacts to geology and soils will be similar to those of the originally proposed Wind Project.

Vegetation

Impacts to vegetation will increase with the construction of up to 35 additional turbines. However, impacts will be similar to those of the originally proposed Wind Project. After construction, all disturbed areas, except the areas needed for permanent facilities, will be restored with native grasses and shrubs or will be managed as cropland or rangeland.

Wetlands and Water Resources

Wetlands surveys were performed for the areas that have been added to the Modified Wind Project. No wetlands or water resources were documented that will be affected by any of the changes in the Wind Project.

Fish and Wildlife

Impacts to fish and wildlife will be similar to those of the originally proposed Wind Project. The new areas proposed for the alternative transmission line route and the boundary expansion of SFS and SFC contain wildlife habitat that is similar to the habitat in areas already considered. Surveys for sensitive species in the new lands did not identify any new populations. No new risks to sensitive species are anticipated from the changes in facility design.

The avian and bat cumulative impacts analysis in the July 2008 ROD was based on the siting of up to 303 turbines with a capacity up to 909 MW within the Wind Project area.

The EFSC has authorized the CSF subsidiaries to increase the number of turbines to 338, but the maximum project capacity has been reduced to 845 MW. Mortality risk to bats and birds has been correlated to total MW, not to total numbers of turbines; thus, the impact analysis was based on regional potential new generation in MW. Because the Modified Wind Project will result in a decrease in installed MW, a proportional decrease in the cumulative risks to birds and bats from the Wind Project is expected.

State and Federal Threatened and Endangered Species

The following species with federal or state status are listed for Gilliam and Morrow counties:

Species	Federal Status	State Status
Greater sage-grouse (*Centrocercus urophasianus*)	Candidate	State Sensitive - Vulnerable
Bald eagle (*Haliaeetus leucocephalus*)	None	Threatened
Washington ground squirrel (*Spermophilus washingtoni*)	Candidate	Endangered
Canada lynx (*Lynx canadensis*)	Threatened	None
Gray wolf (*Canis lupus*)	Endangered	Endangered
Grizzly bear (*Ursus arctos horribilis*)	Threatened	None
Chinook salmon (*Oncorhynchus tshawytscha*)	Threatened	Threatened
Steelhead (*Oncorhynchus mykiss*)	Threatened	State Sensitive - Vulnerable
Sockeye salmon (*Oncorhynchus nerka*)	Endangered	None

Sage-grouse – The historic distribution of the greater sage-grouse includes Gilliam County; however there are no records of current detections in either Morrow or Gilliam county and there were no observations of this species recorded during the on-site wildlife surveys in the new areas. There is little suitable sage-grouse habitat within the site boundaries. The Modified Wind Project will not cause any impacts to sage-grouse, because habitat for the species is lacking in the project areas and no sage-grouse have been observed in or near the project areas.

Bald Eagle – Bald eagles winter along the Columbia River north of the project area. Based on the limited use of the facility site by bald eagles and the mitigation measures included in the Site Certificate for the Modified Wind Project, changes to the project are not likely to result in greater risk to bald eagles than originally analyzed.

Washington Ground Squirrel – No active Washington ground squirrel colonies were found within the areas that have been added to the Modified Wind Project. Three potential use sites might have previously been occupied but were not at the time of the surveys. These sites are in ravines where wind turbines will not be placed. Accordingly, project changes will not result in impacts not already considered to Washington ground squirrels.

Canada Lynx, Gray Wolf, and Grizzly Bear – Although the historic distribution of these three species includes Gilliam and Morrow counties, they are now extremely rare or non-

existent in Oregon. There are no recent recorded detections of these species in either Morrow or Gilliam county, and these species were not observed during on-site wildlife surveys. No designated critical habitat for these species is present in or near the project area. Because these species are not present in or near the project areas, the Modified Wind Project will have no effect on Canada lynx, gray wolf, or grizzly bear.

Fish – The three listed fish species in the analysis area are anadromous species that travel the Columbia River north of the facility site. The fish might be present in Morrow and Gilliam counties, but there are no perennial streams within the site boundaries that can support these species. Facility construction will not consume water from any streams that function as habitat for these species.

Historic/Archaeological Resources

Modified Wind Project developers will complete cultural resource surveys on all new areas of disturbance not included as part of the originally proposed Wind Project, and any cultural resources will be avoided or mitigated as described in the EFSC Site Certificate. ODOE staff contacted the Oregon State Historic Preservation Officer about the most recent EFSC amendments, but the Officer did not respond with any supplemental comments.

Visual Quality

The revision to lands authorized for wind turbine siting and the addition of 35 turbines to the SFS area will change the configuration of turbines from that originally considered, but will not change the overall visual impacts associated with the original facility layout.

Noise

Overall, impacts from construction noise are not expected to change from the originally proposed Wind Project, because roughly the same number of wind turbines will be constructed in approximately the same area. However, the reconfiguration of turbine locations could temporarily increase noise levels during construction in areas with a greater concentration of turbines than previously expected. Due to the lack of sensitive noise receptors and the temporary nature of this type of noise, impacts will be the same as described for the original Wind Project even with this change. Operation of the additional wind turbines will comply with applicable state and county noise-control regulations; therefore, impacts from operations noise will be similar to those of the originally proposed Wind Project.

Public Health and Safety

Impacts to public health and safety, such as fire risk and hazardous materials, will not change from those described for the originally proposed wind farm. Electromagnetic fields (EMF) will increase in certain areas where new turbines will be constructed. There have been numerous studies on the potential health effects from EMF; however these

studies remain inconclusive, showing no or weak associations with effects on health.[3] Therefore, the Modified Wind Project is not expected to result in any different public health and safety impacts from the originally proposed Wind Project.

In April 2010, the Federal Aviation Administration (FAA) and the Department of Defense (DoD) raised the potential impact of Wind Project turbines on a nearby radar installation in Oregon. DoD objected to a Determination of No Hazard proposed by FAA pursuant to Federal Aviation Regulations (FAR) 14 CFR Part 77, Objects Affecting Navigable Airspace. DoD subsequently analyzed this issue and DoD removed its objection. Consequently, the FAA issued a Determination of No Hazard for Modified Wind Project turbines on April 30, 2010.

Socioeconomics and Public Services

Because the Modified Wind Project will largely consist of the same types of facilities in the same general area as originally proposed, potential impacts to socioeconomics and public services are expected to be similar. However, the additional turbines included in the Modified Wind Project will provide additional lease payments and other local revenues compared to the originally proposed Wind Project. In addition, the additional turbines that will be constructed likely would lengthen the construction period. Although this increase in the construction period is expected to be very slight, there could be a

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[3] Minnesota Department of Health, [undated]. Electric and Magnetic Fields, Frequently Asked Questions, Web site: http://www.health.state.mn.us/divs/eh/radiation/emf/#risks, accessed December 5, 2005. National Institute of Environmental Health Sciences and National Institutes of Health, 2002. EMF Electric and Magnetic Fields Associated with the Use of Electric Power. June. Web site: http://www.doh.wa.gov/ehp/rp/xray/emf202.pdf, assessed December 5, 2005.

corresponding increase in indirect economic benefits to area businesses from construction workers purchasing more goods and services in Gilliam and Morrow counties. However, this increase will not be substantially more than the impacts from the originally proposed Wind Project.

Air Quality

By increasing the number of wind turbines, the Modified Wind Project could result in a temporary increase in the amount of fugitive dust emissions associated with construction activities. This increase will be minor and short term. The mitigation included in the EFSC Site Certificate will minimize these temporary impacts to levels similar to the originally proposed Wind Project. Other air quality impacts will be the same as those described in the original Site Certificate for the Wind Project.

Greenhouse Gases

While the scientific understanding of climate change continues to evolve, the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report stated that warming of Earth's climate is unequivocal, and that warming is very likely attributable to increases in atmospheric greenhouse gases (GHGs) caused by human activities (anthropogenic).[4] The release of anthropogenic GHGs and their potential contribution to global warming are inherently cumulative phenomena. The Fourth

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[4] Intergovernmental Panel on Climate Change, Fourth Assessment Report, Climate Change 2007: Synthesis Report, Summary for Policy Makers, released in Valencia, Spain, November 17,2007.

Assessment Report indicates that changes in many physical and biological systems, such as increases in global temperatures, more frequent heat waves, rising sea levels, coastal flooding, loss of wildlife habitat, spread of infectious disease, and other potential environmental impacts are linked to changes in the climate system, and that some changes could be irreversible. GHGs, which include carbon dioxide (C02), methane (CH4), and nitrous oxide (N20), are chemical compounds in the Earth's atmosphere that trap heat. Of these gases, CO2 is recognized by the IPCC as the primary GHG affecting climate change. Present atmospheric concentrations of C02 are believed to be higher than at any time in at least the last 650,000 years, primarily as a result of combustion of fossil fuels. It is also very likely that observed increases in CH4 are partially due to fossil fuel use, according to the IPCC Report.

The energy produced by the Modified Wind Project facilities would be free of both GHG emissions and other air pollutants. The project would generate electrical power from a renewable source of energy (wind) representing an alternative to carbon-emitting fossil fuels. Accordingly, as compared with regional electrical generation mix, the project will avoid 1,215,991 tons of CO2 per year, equivalent to the annual greenhouse gas emissions of 212,141 passenger vehicles. Nonetheless, the project would unavoidably produce some greenhouse gas emissions through activities such as project construction and transportation. These emissions would be extremely small compared to the 8,026 million

tons of CO2-equivalent greenhouse gases emitted in the U.S. in 2007,[5] and the 54 billion tons of CO2-equivalent anthropogenic greenhouse gases emitted globally in 2004. However, emissions from the proposed action in combination with past and future emissions from all other sources would contribute incrementally to the climate change impacts described above.

[5] Energy Information Administration Report No. DOE/EIA 0573 (2007)

Conclusion

The DOE LP has decided to offer a conditional commitment/term sheet for a loan guarantee to CSF for the Modified Wind Project, consisting of the SFN, SFC, and SFS wind farms. When and if all of the terms and conditions specified in the conditional commitment have been met, DOE and the Applicant may enter into a Loan Guarantee Agreement for the Modified Wind Project. To conform with the changes to the Wind Project Site Certificate authorized by the EFSC, the BPA will issue three separate LGIAs for the SFN, SFC, and SFS wind farms to replace the single LGIA it had previously issued for the Wind Project. As relevant to environmental concerns, these decisions are consistent with the BP EIS and BP ROD. The July 2008 ROD for the Wind Project thus is revised by this ROD to include these additional decisions concerning the Modified Wind Project.

Issued in Portland, Oregon,

9/24/10

Stephen J. Wright Date
Administrator and
Chief Executive Officer
Bonneville Power Administration

Issued in Washington, D.C.,

10/8/10

Jonathan M. Silver Date
Executive Director
Loan Programs Office