

Wildlife Mitigation Agreement for Nine Canyon Wind Project

Between the

Washington Department of Fish & Wildlife and

Energy Northwest

Energy Northwest proposed to develop a wind energy project known as the Nine Canyon Wind Project in Benton County south of Kennewick (application to Benton County dated April 2, 2001). With consideration to the project's siting and design, **Energy Northwest** and the **Washington Department of Fish & Wildlife (WDFW)** expect that this project will result in relatively low impact to the natural resources of the area. WDFW acknowledges there is a need for and public benefits to the use of wind generated power. WDFW prefers the choice of low environmental impact sites over moderate or unacceptably high impact sites as excessive impacts cost more to mitigate. WDFW, nonetheless believes that the Nine Canyon project may result in some impacts for which mitigation is appropriate. Therefore, WDFW and Energy Northwest agree that a **Nine Canyon Wildlife Mitigation Fund** should be established. The principal elements of this agreement are as follows:

Purpose:

The purpose of the Nine Canyon Wildlife Mitigation Fund is to promote the preservation and recovery of sensitive species associated with shrub steppe habitat in Benton County. Specific resource management projects include:

- Land acquisition
- Operation and maintenance of lands acquired with the funds established in this agreement.
- Restoration and enhancement of shrub steppe habitat and riparian associated with such habitat
- Beneficial research

Payments to the Fund:

- 1) Energy Northwest will make annual mitigation payments to the WDFW at the rate of \$75 per operational wind turbine. This fee will be paid by Energy Northwest within 60 days of the date of commercial operation of the project, and each year thereafter in similar fashion until the project is decommissioned.
- 2) The mitigation fee will be adjusted for inflation each year based on Energy Northwest's annual budget escalation factor for non-labor costs.

Fund Management:

- 1) Funds received from Energy Northwest will be deposited by WDFW in the Special Wildlife Account, Fund 110.
- 2) The Fund will be managed by WDFW.
- 3) Expenditures from the Fund will be used in the public interest for the purpose stated above exclusively within Benton County, Washington.
- 4) An annual report of the account, as of June 30th of each year, will be provided to Energy Northwest by July 15, after the first payment has been received. This report will identify activities, receipts, expenditures (specifically identified), and year-end balances of the mitigation fund.

Alteration of Agreement:

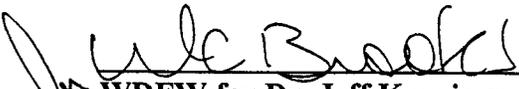
- 1) This agreement may be altered or amended only in writing and based on mutual agreement of both parties. Neither party may amend or alter this agreement unilaterally.
- 2) If the impacts of the turbines are found to be significantly greater than currently anticipated, both parties agree to re-visit the terms of this agreement to adequately mitigate the actual impacts.

The primary intent of this agreement is to mitigate impacts to Washington state and Benton County sensitive, threatened, and endangered species and their associated shrub steppe and shrub steppe associated riparian habitat. This agreement is not an exemption from federal jurisdictional issues.

WDFW believes it's important to recognize the distinction between a low, moderate, and a high impact site. The Nine Canyon project site evaluation team estimated direct mortality and in comparison to other regional and national wind power projects, the Nine Canyon direct mortality estimates were the lowest. Additionally, loss of shrub steppe habitat is minimized by locating the project on agricultural land.

By signature hereon, Energy Northwest agrees to pay the specified mitigation fee and the Washington Department of Fish and Wildlife agrees to manage the mitigation funds in the public interest for the purposes specified above.

For the Department of Fish and Wildlife:



WDFW for Dr. Jeff Koenings, Director
William C. Brooks C.P.M.
Contracts Officer

JUN 01 2001

Date

For Energy Northwest:



D.W. Porter, Project Manager
Nine Canyon Wind Project

June 4, 2001

Date