

**WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL**

RESOLUTION NO. 313

WNP-1/4 SITE RESTORATION – OFFSITE ENVIRONMENTAL MITIGATION

BACKGROUND:

In 2003, the State of Washington, Energy Northwest, Bonneville Power Administration, and U.S. Department of Energy-Richland, entered into an agreement relating to the site restoration of the terminated WNP-1/4 nuclear power projects. A key element of the “Four-Party Agreement” was payment to EFSEC/the State of Washington of \$3.5 million to be used for “offsite environmental mitigation and other activities that improve the environment”, as compensation for allowing a delay in final site restoration out to 2026-2029. Paragraph 6 of the Four-Party Agreement (Agreement) sets out the details of the offsite mitigation settlement payment:

Bonneville shall cause to be paid to EFSEC/the State \$3.5 million for offsite environmental mitigation and other EFSEC activities that improve the environment. This payment is made in recognition of the level of site restoration described in the Plan and the delay allowed for the completion of final site restoration. These funds shall be used in EFSEC’s discretion after consultation with the Washington Department of Fish and Wildlife, with the bulk of the funds to be spent for mitigation in Benton County. Payment will be made in a lump sum after EFSEC approval of the Plan and within 30 days of a request for payment by EFSEC. This payment will be deemed to satisfy all requirements for wildlife or wildlife habitat mitigation under EFSEC Resolution No. 296, provided that if additional construction or changes in operation or operational conditions at the Columbia Generating Station result in loss of additional wildlife or wildlife habitat then EFSEC may require Energy Northwest to undertake appropriate mitigation and Bonneville will guarantee payment pursuant to existing net-billing obligations.

The conditions of Paragraph 6 of the Agreement were negotiated amongst the parties and, from the Council’s perspective, provide broad discretion in determining how funding will be allocated. The Council is to consult with State Department of Fish and Wildlife (WDFW), but decisions on funding specific projects rests solely with the Council. The Agreement recognizes that WNP-1/4 is located in Benton County and specifies that the bulk of the funds (interpreted by EFSEC as 51%) are to be spent on mitigation projects in Benton County.

Since entering into the Agreement, the Council has been engaged in looking at potential projects in Benton County and the surrounding area that could be considered for funding. Initially, in cooperation with WDFW, the Council identified a large, shrub-steppe property in the Rattlesnake Slope area of Benton County, which was actively pursued until the landowner indicated that he would not sell the property.

During the same period, the Council was approached by the Friends of Badger Mountain, the City of Richland, and Benton County and asked to consider setting aside funding to help support the acquisition of a 574-acre parcel on Badger Mountain for open space and recreational purposes. The project had very strong local support and a commitment from the city to share in the cost of acquiring the property.

Once it was determined that the Rattlesnake Slope purchase was not going to move forward, in mid-2004, the Council focused its attention on the Badger Mountain property. EFSEC indicated an interest in working with local parties and a partnership was formed with Benton County, City of Richland, Friends of Badger Mountain (non-profit citizen group), and the Trust for Public Land (TPL) to pursue acquisition of the land. TPL acquired an option agreement with the property owner that would hold the property through early July 2005 to allow the parties to put together the final purchase arrangements.

In January 2005, the Council approved entering into a contract with Benton County, who would be owner of the Badger Mountain property, to provide \$485,000 towards the total purchase price of \$685,000; provided that the county would be responsible for operation and maintenance for perpetuity, and the property would be preserved for “natural park purposes” (open space and recreational uses). In addition to EFSEC’s contribution, the City of Richland approved \$100,000 for the purchase; Benton County provided \$25,000; and the Friends of Badger Mountain contributed \$75,000.

EFSEC made payment to Benton County in June 2005 and the purchase of the Badger Mountain property was completed in early July 2005.

While the Badger Mountain acquisition was being worked on, the Council, under the direction of a subcommittee appointed by the chair, was continuing to work with local interests to identify and evaluate projects to receive mitigation funds. The subcommittee is working very closely with Benton County and City of Richland parks officials to examine potential projects in the county. At the same time, advocates for two projects of regional significance in shrub-steppe conservation and fish migration have formally requested consideration for funding assistance.

Through the subcommittee’s work, the Council has also identified the need to document the criteria that were applied to the Badger Mountain acquisition, i.e., broad community support; demonstrated partnerships of public agencies and citizen groups; and leveraging EFSEC’s funds with local, public, and private monies, along with other key factors so that these would be used to evaluate future projects.

RESOLUTION:

The Council finds that the criteria used to commit funding to the Badger Mountain project were appropriate, and consistent with the guiding priorities set out in the Four-Party Agreement. The criteria specified below will be used by the Council in determining projects to be funded with the remaining WNP-1/4 mitigation monies. The Council will examine funding on a case-by-case basis, but projects must generally meet the established criteria, unless special circumstances apply.

Funding Criteria/Policies:

1. Projects or activities shall preserve, mitigate, restore, enhance, improve land, air or water habitat for fish and wildlife and for public use and/or provide education for or about the environment;
2. At least 51% of the funds shall be dedicated to be spent in Benton County;
3. Projects shall have broad community support (to include but not limited to: citizen groups, public agencies and/or officials, interest groups, private organizations);
4. To the extent possible, projects shall have multiple funding sources, or present an opportunity for EFSEC funds to be leveraged to secure other matching or contributed monies.
5. The Council shall consult with the State Department of Fish and Wildlife.

DATED and effective at Olympia, Washington, this 12th day of July, 2005.

WASHINGTON STATE ENERGY FACILITY SITE EVALUATION COUNCIL

By:

James O. Luce, EFSEC Chair

Attest:

Allen J. Fiksdal, EFSEC Manager