1	☐ EXPEDITE ☐ No Hearing Set ☑ Hearing is Set					
3	Date: September 28, 2012 Time: 11:00 a m					
4	The Honorable Judge James J. Dixon					
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7	STATE OF WASHINGTON THURSTON COUNTY SUPERIOR COURT					
8	FRIENDS OF THE COLUMBIA	NO. 12-2-00692-7				
10	GORGE, INC., and SAVE OUR SCENIC AREA,	ANSWER TO				
11	Petitioners,	PETITIONERS' OBJECTION TO THE				
12	ŕ	ADMINISTRATIVE RECORD AND MOTION				
13	V.	TO CORRECT AND				
14	STATE ENERGY FACILITY SITE EVALUATION COUNCIL (EFSEC) and	ADD TO THE RECORD				
15	CHRISTINE O. GREGOIRE, Governor of the STATE OF WASHINGTON,					
16	Respondents,					
17	and					
18						
19	WHISTLING RIDGE ENERGY LLC, SKAMANIA COUNTY, and					
20	KLICKITAT COUNTY PUBLIC ECONOMIC DEVELOPMENT	,				
21	AUTHORITY,					
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23	Intervenors-Respondents.	100000000000000000000000000000000000000				
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COMES NOW Governor Christine O. Gregoire, Energy Facility Site Evaluation Council ("EFSEC"), Whistling Ridge Energy LLC, Skamania County, and the Klickitat County Public Economic Development Authority (collectively, "Respondents") by and through its legal counsel set forth below and jointly submit this answer to Friends of the Columbia Gorge, Inc. ("FOCG") and Save Our Scenic Area's ("SOSA") (collectively, "Petitioners") objection to the administrative record filed by EFSEC and motion to correct and "add to" the administrative record ("Objection").

I. ARGUMENT

Petitioners' Objection makes the following three requests: (1) the administrative record should be combined into "one or a few," searchable, Bates stamped PDF files, (2) certain inadvertently "omitted" documents should be included in the administrative record, and (3) documents attached to Petitioners' Objection "that were cited, quoted, or otherwise referenced during the proceedings below" should be *added* to the administrative record. As briefly noted at the end of this answer, Respondents do not dispute Petitioners' first two requests. However, Respondents strongly dispute Petitioners' third request and begin by responding to that request.

A. This Court lacks authority to add the documents attached to Petitioners' Objection to the administrative record, and even if such authority existed, this Court should decline to add documents that were outside the administrative record reviewed by EFSEC and Governor Gregoire.

Now, long after EFSEC and Governor Gregoire have completed their review, Petitioners ask this Court to *add* additional documents to the record because Petitioners "cited, quoted, or otherwise referenced" these documents

during EFSEC's review process. (Objection at 7.) The vast majority of these new documents were never presented to EFSEC during its review process, even though they were created well before EFSEC's adjudicative process began. Parts or all of some of these documents were first attached to FOCG's petition for reconsideration in clear violation of EFSEC's rules that petitions for reconsideration be based on evidence in the record. *See* WAC 463-30-335(2). Two other documents attached to Petitioners' Objection were created *after* Governor Gregoire made her decision.

Petitioners missed multiple opportunities to properly include documents created before EFSEC's adjudicative hearing began in the administrative record. Documents created after EFSEC's adjudicative hearing are clearly outside the record EFSEC and Governor Gregoire reviewed. Most importantly, Petitioners' request clearly ignores the legal limits on this Court's authority to add documents to the record.

1. Neither RCW 80.50.140 nor Washington's Administrative Procedure Act ("APA") authorizes this Court to add the documents attached to Petitioners' Objection to the administrative record.

This matter comes before this Court under RCW 80.50.140. RCW 80.50.140(1) authorizes this Court to supplement the record if "there are alleged irregularities in the procedure before the council not found in the record." See Residents Opposed to Kittitas Turbines, v. EFSEC, 165 Wn.2d 275, 301, 197 P.3d 1153 (2008) (superior court properly supplemented the administrative record when petitioners alleged EFSEC's chairman engaged in a conflict of interest and improper ex parte communications and exhibited bias). Here, Petitioners have not alleged any irregularities in EFSEC procedure not found in the record. Instead, Petitioners' request is based solely on the claim that they

themselves "cited, quoted, or otherwise referenced" these documents during EFSEC's review process. Consequently, RCW 80.50.140 precludes this Court from adding the documents attached to Petitioners' Objection to the administrative record.

Even if RCW 80.50.140 did not foreclose this Court from supplementing the record as Petitioners desire, there is no authority under the APA to add the documents attached to Petitioners' Objection to the administrative record. Superior courts authority under the APA to add documents to an administrative record is "highly limited." *Motley-Motley, Inc. v. Pollution Control Hearings Bd.*, 127 Wn. App. 62, 76, 110 P.3d 812 (2005).

If the admission of new evidence at the superior court level was not highly limited, the superior court would become a tribunal of original, rather than appellate, jurisdiction and the purpose behind the administrative hearing would be squandered.

Under RCW 34.05.562(1), new evidence is admissible only under highly limited circumstances. . . . Generally, however, new evidence is inadmissible. When it is admissible, it is admissible because it falls squarely within the statutory exceptions listed in RCW 34.05.562(1).

Id. RCW 34.05.562(1) provides that:

[t]he court may receive evidence in addition to that contained in the agency record for judicial review, *only if it* relates to the validity of the agency action at the time it was taken and *is needed to decide disputed issues regarding*:

- (a) Improper constitution as a decision-making body or grounds for disqualification of those taking the agency action;
- (b) Unlawfulness of procedure or of decision-making process; or
- (c) Material facts in rule making, brief adjudications, or other proceedings not required to be determined on the agency record.

[Emphasis added.]

Petitioners' Petition for Review does not implicate any of these three enumerated issues. It does not allege that EFSEC was improperly constituted or that any of its members should be disqualified. It does not allege an unlawful procedure or decision-making process. As EFSEC's recommendation and the Governor's decision were both based on the record, the third issue enumerated in RCW 34.05.562(1) is not applicable. Petitioners attempted justification for adding these documents—*i.e.*, "cited, quoted, or otherwise referenced during the proceedings below"—is not listed in RCW 34.05.562(1). Consequently, this Court lacks authority to add the documents attached to Petitioners' Objection to the administrative record, and this Court should deny Petitioners' request.

2. Even if the law gave this Court discretion to consider adding the documents attached to Petitioners' Objection to the administrative record, this Court should not indulge Petitioners' attempt to rectify their own evidentiary shortcomings.

As described below, Petitioners added documents to the administrative record at each and every stage of EFSEC's review process. Indeed, Order No. 868 recognized that "this aggressively litigated proceeding appear[s] to have set a record for length, volume, and number of issues addressed for a

facility of this type." (Rec. Doc. #2280 at 16.) After the adjudicative record closed, Petitioners tried to rely on documents outside the record in direct violation of EFSEC's administrative rules. *See* WAC 463-30-230(2), 463-30-310(2)(a), 463-30-335(2). Petitioners now ask this Court to *add* some of these same extra-record documents and entirely new extra-record documents to the administrative record. This Court should deny Petitioners' request.

a. Statement of Material Facts Concerning EFSEC's Review Process

Petitioners have appealed Governor Gregoire's approval, upon EFSEC's recommendation, of a Site Certification Agreement for the Whistling Ridge Energy Project (the "Project") in Skamania County, Washington. EFSEC's review consists of "[t]wo legally separate processes": an adjudicative proceeding and the environmental review required by the State Environmental Policy Act ("SEPA"). (Rec. Doc. #1394 at 2.) In Order No. 854, EFSEC advised the parties that:

[t]he purpose of the adjudicative record is not to provide casual reading, where references to outside sources may be common and appropriate. Instead, directly relevant documents may be the subject of questions during the adjudicative hearing and may be used and referenced in drafting of briefs, orders and recommendations. Parties, Council members and the Governor need to have them in hand for reference as questions are asked and answered and to understand the complete story of the witnesses. The assumption [by FOCG and SOSA] that a complete and organized record is unnecessary for complex litigation is incorrect.

(Rec. Doc. #1417 at 2.) EFSEC also has administrative rules governing the admission of documentary evidence and the taking of official notice. *See, e.g.*, WAC 463-30-310(2)(a) (documentary evidence shall be submitted to the other parties "sufficiently in advance [of the adjudicative hearing] to permit study and preparation of cross-examination and rebuttal evidence"), WAC 463-30-230(2) (requiring that parties be notified "before or during [the adjudicative] hearing" of material sought to be officially noticed and "afforded an opportunity to contest the facts and material so noticed").

As part of the adjudicative process, EFSEC conducted a land use consistency hearing on May 7, 2009, and an adjudicative hearing on January 3-7, 10-11, and 20, 2011. (Rec. Doc. #2280 at 6, 8.) Both sides presented testimony and other evidence during those hearings. At the conclusion of EFSEC's adjudicative hearing on January 20, 2011, Administrative Law Judge Wallis led the parties through a detailed discussion of which documents were in and which documents were out of the adjudicative record. (See Rec. Doc. #2110 at 1488:19-1516:19.) At the end of this discussion, Judge Wallis asked "Is there anything further?" (Id. at 1516:14-15.) Hearing no response, he closed the adjudicative hearing. (Id. at 1516:16-19.)

EFSEC subsequently issued Order No. 864, which addressed "the final exhibit list" for the adjudicative proceeding that "governs the status of exhibits from this point forward." (Rec. Doc. #2163 at 1.) This final exhibit list appears in the administrative record as Rec. Doc. #2166. The copy that was sent to Governor Gregoire appears in the record at Rec. Doc. #2352. Petitioners did not object to the final exhibit list. (See Rec. Doc. #2170 at 1.)

On May 20, 2011, the Council reopened the adjudicative record to receive copies of visual simulations of the Project that EFSEC staff had made for EFSEC's May 2-3, 2011 site visit. (Rec. Doc. #2201.) EFSEC then "recloses the [adjudicative] record." *Id*.

In full compliance with SEPA and in cooperation with the United States Department of Energy, Bonneville Power Administration under the National Environmental Policy Act, EFSEC also issued a Draft Environmental Impact Statement ("DEIS") for public comment on May 24, 2010, conducted public hearings on the DEIS June 16-17, 2010, and accepted written comments on the DEIS until August 27, 2010 (extended from the original July 19 deadline). (Rec. Doc. #2255 at 2; Rec. Doc. #2279 at 4.) FOCG and SOSA each submitted comments on the DEIS. (Rec. Doc. #2252 at 634-638, 643-648, 765-862, 914-1192, 1201-1202.) EFSEC's responsible official under SEPA issued the Project's Final Environmental Impact Statement ("FEIS"), which contains responses to the public comments, on August 12, 2011. (See Rec. Doc. #2251.)

On October 6, 2011, EFSEC issued Order No. 868 resolving contested issues in the adjudicative proceeding. (Rec. Doc. #2280.) EFSEC then issued Order No. 869, which considered "both Order No. 868 resolving adjudicative issues and the FEIS" for the Project and recommended that Governor Gregoire approve the Project, subject to certain conditions. (Rec. Doc. #2279.)

On October 27, 2011, Petitioners filed their petitions for reconsideration. (See Rec. Doc. #2293, #2294.) To support an alleged error in Order No. 868, FOCG's petition for reconsideration cited the FEIS for another EFSEC-permitted wind energy facilities (i.e., Kittitas Valley) and wildlife studies for two other proposed wind energy facilities (i.e., Coyote Crest and Radar Ridge). (Rec. Doc.

#2294 at 26-27 fn. 67, 69, 70.) However, these documents were not part of the adjudicative record upon which Order No. 868 was based. (See Rec. Doc. #2163.) FOCG also attached the following documents to its petition for reconsideration: (1) a Cowlitz-County Superior Court order (Id., Ex. A); (2) Skamania County Ordinance No. 2011-03 and a corresponding staff "Agenda Item Commentary" (Id., Ex. B); and (3) five pages excerpted from a Wyoming permit for a wind energy facility (Id., Ex. C). None of these documents were part of the administrative record.

Intervenor-Respondents Whistling Ridge Energy LLC, Skamania County, and the Klickitat County Public Economic Development Authority timely objected to Petitioners' attempted reliance on these documents. (Rec. Doc. #2315 at 3-5, Rec. Doc. #2310 at 12.)

On December 27, 2011, EFSEC issued Order No. 870 denying the petitions for reconsideration. (Rec. Doc. #2321.) The only extra-record document addressed in this order was the Cowlitz-County Superior Court order. (See id. at 8 fn. 20.)

On December 29, 2011, Petitioners moved EFSEC to take official notice of Skamania County Ordinance No. 2011-08 and the corresponding staff "Agenda Item Commentary." (Rec. Doc. #2331.) On January 6, 2012, EFSEC issued Order No. 871 denying "the motion as being untimely. The [adjudicative] record in this matter has been closed since May, 2011." (Rec. Doc. #2353.)

On March 5, 2011, Governor Gregoire approved the Project, as recommended and conditioned by EFSEC. (Rec. Doc. #2361.)

b. Skamania County moratorium ordinances and corresponding staff commentaries should not be added to the administrative record.

Petitioners request that seven Skamania County moratorium ordinances adopted before EFSEC's adjudicative hearing, two Skamania County moratorium ordinances adopted after the adjudicative hearing, and one Skamania County moratorium ordinance adopted after Governor Gregoire approved the Project be added to the administrative record. Petitioners' Objection does not even inform this Court that the Objection's exhibit containing these ten moratorium ordinances also contains the corresponding staff "Agenda Item Commentary" for each ordinance nor does the Objection attempt to justify why these commentaries should be added to the record.

Of the seven Skamania County moratorium ordinances adopted before EFSEC's adjudicative hearing began on January 3, 2011, two are already part of the administrative record, which is why the parties' briefing repeatedly addressed the moratorium ordinances.¹ Petitioners never requested that EFSEC include the staff commentaries for these two pre-hearing moratorium ordinances in the record. Petitioners squandered their opportunities to include the other five pre-hearing moratorium ordinances and seven staff commentaries attached to Petitioners' Objection, and this Court should decline Petitioners' request that these documents be added to the record.

Petitioners unsuccessfully tried to get the two moratorium ordinances adopted after the adjudicative hearing into the record. FOCG attached Skamania

¹ During the adjudicating hearing, Petitioners offered and EFSEC admitted Skamania County Ordinance 2010-10. (*See* Rec. Doc. #2166 at 1.) EFSEC also took official notice of Skamania County Ordinance 2010-06. (Rec. Doc. #1598 at 64:17-21, 67:9-12, 68:1-10.) Skamania County Ordinance 2010-06 and Skamania County Ordinance 2010-10 appear as Rec. Doc. #1443 and Rec. Doc. #1631, respectively.

County Ordinance No. 2011-03 and the corresponding staff commentary to its petition for reconsideration and asked that EFSEC take official notice of it (Rec. Doc. #2294 at 9 fn. 21, Ex. B), even though WAC 463-30-335(2) requires that petitions for reconsideration be based on "the evidence of record." Petitioners subsequently moved EFSEC to take official notice of Skamania County Ordinance No. 2011-08 and the corresponding staff commentary. (Rec. Doc. #2331.) EFSEC denied that "motion as being untimely. The record in this matter has been closed since May, 2011." (Rec. Doc. #2353.) Indeed, EFSEC's administrative rule regarding official notice provides that:

Parties shall be notified *either before or during hearing*, or by reference in preliminary reports or otherwise, of the material so noticed and the sources thereof, including any staff memoranda and data, and *they shall be afforded an opportunity to contest the facts and material so noticed*. [Emphases added.]

WAC 463-30-230(2). EFSEC properly did not grant Petitioners' request that it take official notice of these two post-hearing moratorium ordinances and corresponding staff commentaries, and this Court should decline Petitioners' request that these documents be added to the record.

The final moratorium ordinance attached to Petitioners' Objection—Skamania County Ordinance No. 2012-04—was adopted on May 22, 2012. This is over two months *after* Governor Gregoire made her decision in this administrative record. There is no basis for adding an ordinance adopted, and

² Petitioners attempt to explain away this denial by noting that EFSEC "did not determine that the document was irrelevant or inherently improper for inclusion in the record." (Objection at 8 fn. 10.) This rationale ignores that the adjudicative record was closed and that EFSEC had already denied the petitions for reconsideration.

corresponding staff commentary prepared, over two months after Governor Gregoire approved the Project. This Court should deny Petitioners' request to add this moratorium ordinance and staff commentary to the administrative record.

c. The Feb. 13, 2007 Cowlitz County letter concerning an entirely different energy project should not be added to the administrative record.

Petitioners next desire to add a Feb. 13, 2007 Cowlitz County letter concerning an entirely different energy project to this Project's administrative record. There is simply no basis for this request given that Petitioners again missed their opportunities to present this letter to EFSEC during the proceedings below.

After the adjudicative hearing was complete, FOCG's response brief on land use consistency quoted a Cowlitz County Superior Court order and requested that EFSEC take official notice of this order. (Rec. Doc. #2155 at 2-3.) Order No. 868 rejected FOCG's argument that relied on this order "as being unsupported. The [Cowlitz County Superior Court] decision was not offered into evidence during the hearing and no copies were provided to the Council or to other parties." (Rec. Dec. 2280 at 10 (citing RCW 34.05.461, section (4) of which requires that APA orders "be based exclusively on the evidence of record in the adjudicative proceeding and on matters officially noticed in that proceeding.")).

FOCG then attached the Cowlitz County Superior Court order to its petition for reconsideration (Rec. Doc. #2294, Ex. A), even though WAC 463-30-335(2) requires that petitions for reconsideration be based on "the evidence of record." In denying the petitions for reconsideration in Order No. 870, the only

extra-record document EFSEC addressed was this Cowlitz County Superior Court order:

Friends also argues that a certification of consistency is a decision requiring SEPA review under RCW 43.20C.030, citing a superior court order in another proceeding. Order 868 rejects this challenge as being unsupported. The decision was not offered into evidence during the hearing and no copies were provided to the Council or to other parties. The Council nevertheless examined the order and found it does not support Friends' argument. Indeed, given the lack of context (e.g., neither the "opinion letter" to which the brief order refers, nor the "defendants' motions to dismiss" are included), and references to statutes that do not exist (i.e., RCW 30.70C.020 and .040), it is not possible to divine any meaning at all from the face of the court's order. The order makes no reference at all to RCW 41.21C.030.

(Rec. Doc. #2321 at 8 fn. 20 [Emphases added.].) Petitioners now seek to rectify the "lack of context" EFSEC identified in Order No. 870 by asking that this Court add the "opinion letter" to the administrative record.

Petitioners claim that adding this Feb. 13, 2007 Cowlitz County letter to this Project's administrative record will not prejudice the parties because "the document was originally submitted to EFSEC, which is therefore charged with knowledge of its contents; and the other parties have had copies of this document since 2010." (Objection at 9.) Apparently, Petitioners believe that they can force EFSEC and the Governor to review all of EFSEC's files for documents that might pertain to parties' arguments. This belief is presented without legal authority, and runs directly contrary to EFSEC's direction in a pre-hearing order that "Parties, Council members and the Governor need to have [directly relevant documents] in hand for reference" during the review process. (Rec. Doc. #1417

at 2.) Moreover, contrary to Petitioners' assertion, Respondent Governor Gregoire and Intervenor-Respondent Klickitat County Public Economic Development Authority were not parties in the *Drach v. Skamania County* appeal to the Columbia River Gorge Commission (*See* Rec. Doc. #1877 at 1, #1878 at 1, #1879 at 1), and therefore never received a copy of this Feb. 13, 2007 Cowlitz County letter in that proceeding. Finally, Petitioners had ample opportunity during the adjudicative proceeding to properly include this letter in the administrative record if they had so desired. As Petitioners squandered their opportunities to present this letter to EFSEC during the proceedings below, this Court should deny Petitioners' request to now add this letter to the administrative record.

d. The full Wyoming wind energy permit should not be added to the administrative record.

There is no basis for this Court to add a 56-page Wyoming wind energy permit to the record when this document was never presented to EFSEC or given to the parties. Contrary to Petitioners' assertion, "relevant portions" of this document are not part of the adjudicative record. (Objection at 9.) This permit is not identified on EFSEC final exhibit list. (*See* Rec. Doc. #2166). Furthermore, it is dated July 18, 2011 (Objection, Ex. C at 54) but Order No. 871 stated that EFSEC's record closed in May 2011. (Rec. Doc. #2353.) FOCG simply attached five pages excerpted from this Wyoming permit to its petition for reconsideration and asked EFSEC to take official notice of those five pages. (Rec. Doc. #2294 at 20, Ex. C.)

WAC 463-30-335(2) requires that petitions for reconsideration be based on "the evidence of record." WAC 463-30-230(2) requires that parties be notified

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"before or during [the adjudicative] hearing" of material sought to be officially noticed and "afforded an opportunity to contest the facts and material so noticed." FOCG did not comply with either of these administrative rules when it attached the five excerpted pages of the Wyoming permit to its petition for reconsideration and EFSEC never took official notice of them. Petitioners seek to add the full 56-page permit to the record in order "[t]o avoid any confusion about the contents of the Wyoming permit" in this appeal. While this intent may be laudable, Petitioners did not afford EFSEC or the Governor the opportunity to review the entire 56-page permit. See Motley-Motley, 127 Wn. App. at 76 ("If the admission of new evidence at the superior court level was not highly limited, the superior court would become a tribunal of original, rather than appellate, jurisdiction and the purpose behind the administrative hearing would be squandered."). This Court should deny Petitioners' request.

e. The Kittitas Valley FEIS and wildlife studies for Coyote Crest and Radar Ridge wind energy facilities should not be added to the administrative record.

There is no basis for this Court to add the Kittitas Valley FEIS and wildlife studies for Coyote Crest and Radar Ridge wind energy facilities to the administrative record. FOCG's petition for reconsideration alleged, among other things, that Order No. 868 (termed the "Adjudicative Order" in FOCG's petition as opposed to Order No. 869, which FOCG's petition termed the "Recommendation Order") erred in applying the Washington Department of Fish and Wildlife's *Wind Power Guidelines*. (See Rec. Doc. #2294 at 24-27, which are attached to this answer as Exhibit 1.) To support this alleged error in Order