BEFORE THE STATE OF WASHINGTON ENERGY FACILITY SITE EVALUATION COUNCIL

In the matter of

TUUSSO ENERGY – Columbia Solar Project

EFSEC DOCKET NO. EF-170823

COUNTY'S BRIEF ON LAND USE CONSISTENCY

INTRODUCTION

COMES NOW, Kittitas County, by and through its attorney of record, Neil A. Caulkins, and submits its brief on land use consistency. To be eligible for expedited review, pursuant to WAC 463-43-030(2), the Energy Facility Site Evaluation Council (EFSEC) must find the application "to be consistent and in compliance with city, county, or regional land use plans." Kittitas County submits this brief to demonstrate how the proposed project is inconsistent with Kittitas County land use regulations.

On October 23, 2017, Kittitas County received a letter from EFSEC related to this project which directed the county to appoint a representative to the EFSEC project board pursuant to RCW 80.50.030. On December 6, 2017, Kittitas County received notice and a meeting agenda regarding the December 12, 2017 hearing. True and correct copies of those communications are attached hereto as Exhibit "A." Neither of these communications gives notice that the county was to make a presentation at the hearing regarding land use consistency. Neither of these communications gave notice that the county would be given opportunity (much less be expected) to speak at all, other than simply as a member of the public. EFSEC is governed by the Administrative Procedures Act (RCW 80.50.040) which requires at least seven days' notice of a hearing (RCW 34.05.434). In an effort to remedy these breaches, EFSEC let the record remain open for ten (10) days.

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BACKGROUND

Numerous energy facilities have been permitted in Kittitas County that have never been built. In 2010 EFSEC approved the Desert Claim Wind Power Project – a 190-megawatt wind power project. Now, almost eight years later, this project has never been built, in fact ground has never even been broken. In 2009, Kittitas County approved the Teanaway Solar Reserves – a 75-megawatt photovoltaic project occupying 477 acres upon a 982-acre parcel. This was to have been the largest solar farm in the United States. That project has never been built, no ground broken, and the conditional use permit that was approved has now expired. In 2015 Kittitas County approved the Osprey Solar Farm – a 1-megawatt photovoltaic project occupying 13 acres on a 112 acre parcel. This project has not been built.

Approved projects, even though built, largely sit idle. In 2009 EFSEC approved the Kittitas Valley Wind Power Project – a 48-turbine wind farm. This project has been built, but is seldom in operation. It sat idle for years (*see* Exhibit "B" attached hereto) because of the inability to secure power purchasers – in other words, lack of market.

This is consistent with EFSEC's experience. EFSEC's website lists ten (10) facilities that it has permitted statewide. Of those, three were cancelled by the proponent and two more have never been built. In other words, after going through the time and expense of seeking and obtaining a permit, 50% of the *successful* applicants did not go forward with their projects. (If one adds the Kittitas County Wind Power project to this, because it has not been fully functional, that makes fully 60% of EFSEC-approved projects found no market for their power.) There are undoubtedly a variety of factors that contribute to this phenomenon, but the bottom line is obviously "the bottom line" – there is no market for this power. If there was a market, a need, then these projects would have gone forward because they would have been economically viable. If money was to be made, a way forward would have been found. This history, both at the county and EFSEC levels, of approved energy projects not going forward speaks volumes about the lack of market for, and need for, additional power.

ARGUMENT

1. A conditional use permit application is not amenable to a summary determination of code consistency, by definition.

Kittitas County Code 17.08.550 defines a conditional use by saying that it "means a use which may be permitted in a zone classification following review <u>and hearing</u> under the provisions of KCC Chapter 17.06A." (The emphasis is added because TUUSSO consistently (their brief at pgs. 3 and 13) misquotes the county statute and omit the words "and hearing," the significance of which will be explained in a moment.) In contrast, the code defines a permitted use as meaning "a use allowed outright within a zone classification."

The distinction between these two uses was clearly articulated by Judge Candace Hooper in the recent decision affirming the denial of the One Energy Solar farm. There Judge Hooper wrote "However, conditional uses are not the same as permitted uses. Conditional uses are uses that would not be allowed in specific zones unless the proponent applicant of the particular use can demonstrate to the satisfaction of the finder of fact that there is compliance with each of the conditional use permit criteria at that particular site." (ONE ENERGY DEV. LLC v. Kittitas County, Memorandum Decision, Kittitas County Superior Court, 11/30/17 pg. 15 [submitted into the record at the 12/12/17 hearing by Kittitas County]) In other words, compliance with the county code criteria cannot be determined absent the review and hearing process required by the code to vet applications. Absent the review and hearing contemplated in county code, one could not determine if an application meets the criteria required for conditional use permit issuance or whether impacts have been adequately identified and conditioned. Said another way, a conditional use application is not amenable to a summary determination of code consistency because, without the review and hearing, such consistency cannot be established.

Washington law has long accepted that conditional use permits are characterized by discretionary decision making. A particularly apt statement of the discretionary nature of conditional use permits follows:

While courts may disagree with the decision of municipal bodies in granting or not granting conditional use permits, such a disagreement standing alone does not provide the basis for judicial interference in such municipal decisions. Those decisions, as here, rest with the political body of the municipality which is answerable to the voters.

Phillips v. City of Brier, 24 Wn.App. 615, 604 P.2d 495 (1979). Other statements of the discretionary nature of conditional use permits include a recognition that they are often debatable decisions made upon conflicting evidence. Sharinghouse v. Bellingham, 4 Wn.App. 198, 202, 480

P.2d 233 (1971); see also, State ex rel. Smilanich v. McCollum, 62 Wn2d 602, 609, 384 P.2d 358 (1963) (conditional use permit analysis is discretionary and entitled to deference in the absence of clear abuse). In short, consistency with local regulation can only be determined through the review and hearing process contemplated where the local jurisdiction exercises its discretion. In the absence of that review and hearing, such as the summary process to determine consistency EFSEC is contemplating currently, consistency cannot be determined. If the code requires a hearing to make a determination, a summary process that omits that hearing cannot pretend to arrive at the determination that the code requires. Hence, conditional use permits are not amenable to summary determinations of code consistency.

The applicant's argument regarding consistency misses the point. TUUSSO argues essentially that by demonstrating compliance with the seven factors from Kittitas County Code necessary for a conditional use permit, it shows consistently therewith. This is why they consistently omit the words "and hearing" when they try and quote county code. The problem with that is that the code requires that demonstration and review be made at a public hearing where the public and legislative body weigh in and decide if conditions have been met. In the absence of that public process, a determination of consistency cannot be made. It is like a sports team that explains to the referee what series of plays they are anticipating to execute in the coming game, then asking to be declared the winner without actually going through the process of engaging with an opponent. When a codified procedure calls for public process before arriving at a decision, no summary process can be equivalent to that decision because a necessary component – public hearing – is missing. In the absence of a public process whereby the legislative body, with input from the public, makes a determination that conditions have been met and the project is consistent with local code, consistency cannot be established.¹

The county is not arguing that issuance of a conditional use permit is as capricious as a sporting event. The case law cited above, however, points to the degree of discretion afforded legislative bodies in determining code consistency in the context of conditional permit issuance. That high degree of discretion is the law in this state. Without that exercise of discretion by the

¹ The current Super Bowl Champion could never have been summarily deemed such. They had to vanquish an opponent to obtain their title.

local legislative body, consistency with local code cannot be demonstrated. A summary process that skips that step cannot establish local code consistency.

The county is arguing that the local legislative body is the only entity that can make that determination. This is consistent with Washington law that states that "Those decisions, as here, rest with the political body of the municipality which is answerable to the voters." *Phillips v. City of Brier*, 24 Wn.App. 615, 621, 604 P.2d 495 (1979). EFSEC is not "the legislative body of the municipality which is answerable to the voters" and so cannot substitute its hearing, review, and process for that of the county commissioners regarding a matter locally subject to a conditional use permit. That simply is the law in Washington.

2. The proposal is not in keeping with "rural character."

TUUSSO's application fails to satisfy the review criteria of KCC § 17.60A.015(7)(A) and (B) (proposed use must be "consistent with the intent, goals, policies, and objectives of the Kittitas County Comprehensive Plan, including the policies of Chapter 8, Rural and Resource Lands" and requires that the proposed use "preserves 'rural character' as defined in the Growth Management Act" (RCW 236.70A.030(15))).

The solar farm is demonstrably not consistent with the comprehensive plan's goals, policies, and objectives for rural and resource lands. The overarching goal for rural lands set forth in the comprehensive plan is to "enhance and protect the county's rural character, and to encourage appropriate rural land use patterns and service levels." Kittitas County Comprehensive Plan at 8-2. A particularly clear specific policy designed to implement the general goal is set forth as follows:

GPO 8.17. Land use development within the Rural area that is not compatible with Kittitas County Code rural character or agricultural activities as defined in RCW 90.58.065(2)(a) will not be allowed. *Id.* at 8-7.

In understanding this policy statement, it is important to consider that "rural character" is a defined term.

In the comprehensive plan, "'[r]ural character' is defined in Kittitas County as predominant visual landscape of open spaces, mountains, forests, and farms and the activities which preserve such features. It balances environmental, forest, and farm protection with a variety

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of rural development and recreational opportunities." *Id.* at 8-4. Although the comprehensive plan contemplates that limited areas of more intense rural development may be allowed, such "LAMIRDs" are to be sited in specifically identified areas. *Id.* at 8-5. The comprehensive plan clarifies its intent for protection of agricultural lands with additional strict limitations on the siting of non-rural uses outside these special LAMIRD areas:

GPO 8.21A. Residential and commercial buildings outside Type 1 LAMIRDs shall be located in areas buffered by vegetation and along the edges of fields or areas of shrub steppe vegetation to maintain Kittitas County's historic rural character. Id. at 8-7.

TUUSSO's proposed solar farm does not constitute rural character because it disrupts, rather than preserves, the predominant visual landscape of open spaces, mountains, forests, and farms." Id. at 8-4. Because the solar farm "is not compatible with Kittitas County rural character," the comprehensive plan states that such land use development "will not be allowed." *Id.* at 8-7. Any suggestion that the solar farm is nevertheless harmonious with rural character is refuted elsewhere by the comprehensive plan. Because the solar farm represents virtually one hundred percent lot coverage over its proposed parcels, it cannot be sited "along the edges of fields" and because it is proposed to be located in an intensively farmed area, it is also obviously not found in an "area[] of shrub-steppe vegetation." *Id.* at 8-7. The uninterrupted array of acres of glass, aluminum, and silicon conflicts with the comprehensive plan's emphasis on "maintain[ing] historic rural character." *Id.* at 8-7.

Recently Kittitas County denied a conditional use permit to a solar farm applicant (One Energy LLC) because, among other reasons, the proposal would have densely built out the subject parcel, thereby creating a situation in which the built environment predominated over the natural environment, and hence, was not in keeping with rural character. That denial was appealed and the Superior Court affirmed the county's decision that the project did not keep with rural character. In its decision, the court said:

Preserving rural character is one of the conditions that must be met, and the burden of showing that it does so at this specific site rests with the applicant proponent of the solar farm.

There is nothing inconsistent about a finding that major alternative energy facilities may but also may not preserve rural character as it applies to a specific project in a specific place, even in the same zoning. One component of rural

 character refers to "patterns of land use and development established by a county in the rural element of its comprehensive plan: (a) in which open space, the natural landscape, and vegetation predominate over the built environment." There could be an almost infinite number of configurations of project and siting that could yield vastly different results from each other.

Additionally, since compliance with the Comprehensive Plan is made part of the local conditions which must be met for a conditional use permit, the applicant is mandated to show compliance with the Comprehensive Plan. *Cingular Wireless, LLC*, 131 Wn.App. 756 (2006)...

It is not an erroneous interpretation of law, specifically rural character, to consider whether a massive industrial project of this nature, encompassing 47.5 acres, eight feet high with large mechanized racks to follow the sun, set in the middle of treeless productive farm fields preserves rural character, interferes with visual compatibility of the surrounding area, or contains a built environment which predominates over the natural landscape...

The relevant inquiry is the effect on the character of the "surrounding neighborhood" and not necessarily the entire county. The applicants' suggestion that the built environment be compared to all agricultural land in the county is misplaced.

It would be illogical to determine whether the built environment predominates over open space, natural landscape and vegetation by considering and comparing the footprint of a development of any sort to all the agricultural land in a county. Under that analysis, a square mile of skyscrapers in the middle of one hundred square miles of farm fields would not qualify as predominating over the natural landscape. Yet it would clearly not be in keeping with rural character. This is obviously not the intent of the zoning codes, the Growth Management Act provisions, or twenty plus years of other land use decisions.

The five solar farms that comprise the TUUSSO project violate rural character. Each one of these solar farms is totally built-out and occupies the maximum area on each one's subject parcel.² Each one, thereby, creates a circumstance where the built environment dominates over the natural environment, and therefor violates rural character. Since these projects violate rural character in the same manner and degree as the One Energy project did, this project is not consistent with local land use because it too violates rural character as affirmed by the Superior Court.

3. The proposal is not essential or desirable to the public convenience.

²This is in contrast to the two solar farms approved by the County. The Teanaway Solar preserve was a 477 acre project upon a 982 acre parcel, and the Osprey Solar farm was a 13 acre project upon a 112 acre parcel. Neither created a situation where the built environment dominated the natural environment.

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To be consistent with local land use, it must be shown that the proposal is essential or desirable to the public convenience. KCC 17.60A.015(1). The history of permitted, yet failed, energy projects in Kittitas County (Desert Claim Wind Power Project, Teanaway Solar Reserve, Osprey Solar Project) is harsh, real evidence of the fact that there is no market for this and that it is, by definition, not essential or desirable to the public convenience. The history of permitted, vet failed, energy projects permitted by EFSEC (Sumas Energy 2 Generation Facility, Wallula Power Project, BP Cherry Point Cogeneration, Desert Claim Wind Power Project, and Whistling Ridge Energy Project) is harsh, real evidence of the fact that there is no market for this and that it is, by definition, not essential or desirable to the public convenience.

TUUSSO engages in pure speculation. In its consistency brief the applicant takes off on flights of fancy as to what the future might hold regarding an energy market in light of a few select current events. This is pure speculation and should not be considered credible evidence. Additionally, the presence of a power purchase agreement by TUUSSO does not change the analysis because the other projects mentioned here also had that, yet economically failed none the less. The reality is that half of the energy facilities approved in Kittitas County, and by EFSEC statewide, do not even break ground because there is no market for them. If there was a market, they would have gone forward. If money could have been made, a means to make that money would have been found. These projects, however, did not go forward, and so, at the very least, one cannot summarily say (based on speculation) that these proposals are essential or desirable to the public convenience. If they were essential and desirable, there would be a market for them and we would not be seeing over a 50% failure rate of permitted projects to even break ground.

CONCLUSION

The TUUSSO project cannot move forward under the EFSEC expedited process because it is not consistent with local land use. A conditional use project cannot summarily be determined consistent with local land use in the absence of the necessary public hearing. The project creates a built environment that dominates over the natural environment, thereby violating rural character, and thereby not meeting one of the criteria for issuance of a conditional use permit. The history of failed energy projects makes it clear that there is no market for this and, at the very least, that such a project cannot be summarily determined to be either essential or desirable to the public convenience, thereby not meeting another criteria for issuance of a conditional use permit.

1	The TUUSSO project is inconsistent with local land use and so ineligible for expedited review.
2	Respectfully submitted this 22 w day of December, 2017.
3	Mail a. Paulli
4	Neil A. Caulkins, WSBA #31759
5	Deputy Prosecuting Attorney
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SERVICE DATE

OCT 19 2017

STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

October 19, 2017

Mr. Paul Jewell, Chairman Kittitas County Board of Commissioners 205 W 5th Avenue, Suite 108 Ellensburg, Washington 98926-2887

Subject: EFSEC Member Appointment

OCT 23

Dear Chair Jewell:

On October 16, 2017, Tuusso Energy, LLC, submitted an application to the Washington State Energy Facility Site Evaluation Council (EFSEC) to construct and operate a solar project (Columbia Solar) at different locations in Kittitas County.

This application starts EFSEC's process for review as authorized under Title 80.50 RCW in accordance with its rules codified in Chapter 463 WAC. State law provides:

"The appropriate county legislative authority of every county wherein an application for a proposed site is filed shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the county which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site." [RCW 80.50.030(4)].

The person the Kittitas County Board of Commissioners appoints as a voting member of EFSEC should be familiar with county issues so as to provide local insight to the EFSEC process. We respectfully request that the appointment of the Kittitas County EFSEC representative be made by November 19, 2017.

EFSEC may hold adjudicative proceedings for this project, so the person you appoint will need to be aware of ex parte rules and regulations that apply to each EFSEC Council member. In addition, the person must be able to participate fully in EFSEC's process. EFSEC expects the time commitment to initially be approximately one day per month starting in November 2017. The time commitment will increase if an adjudicative proceeding is held.

RCW 80.50.090 requires EFSEC to hold a public information meeting within sixty days of receipt of an application. That meeting must be held in a location as close as practical to the proposed site. We will schedule that meeting in late November to early December. Mr. Paul Jewell Kittitas County Board of Commissioners 2 of 2 October 19, 2017

Subsequent to the informational meeting EFSEC will conduct a land use hearing. Both meetings will likely be scheduled for late November or early December.

Please contact me at (360) 664-1903 if you have any questions concerning this matter.

Sincerely,

Stephen Posner EFSEC Manager

Neil Caulkins

From: Aitken, Joan (UTC) <joan.aitken@utc.wa.gov>
Sent: Wednesday, December 06, 2017 11:19 AM

Subject: 12/12 Columbia Solar Project Meeting Agenda - Ellensburg

Attachments: 20171212_Agenda.pdf

Good afternoon,

Please see the attached Agenda for the Columbia Solar Project Informational Meeting and Land Use Hearing in Ellensburg, WA on December 12, 2017.

This document is also available on our website here: http://www.efsec.wa.gov/meet.shtml or here: http://www.efsec.wa.gov/Tuusso Solar.shtml

Please let me know if you have any trouble opening the document.

Thanks, ~ *Ioan Aitken*

Energy Facility Site Evaluation Council

Secretary Supervisor

Email: jaitken@utc.wa.gov Phone number: (360) 664-1920 EFSEC Email: <u>EFSEC@utc.wa.gov</u> EFSEC phone number: (360) 664-1345

Address: 1300 S Evergreen Park Dr. SW, Olympia, WA 98504-3172

Mailstop/P.O. Box: 43172

www.efsec.wa.gov



AGENDA

Tuesday December 12, 2017 5:00 – 9:00 PM

Kittitas Valley Event Center Armory 901 E 7th Ave Ellensburg, WA 98926

TUUSSO COLUMBIA SOLAR PROJECT

5:00 – 5:30 PM Open House:

• Poster Board Displays - Meet EFSEC Staff and TUUSSO representatives

5:30 – 7:30 PM Informational Meeting:

- TUUSSO Energy Project overview
- EFSEC siting process overview
- Public comments

7:30 – 9:00 PM Land Use Hearing:

 Public testimony will be taken on consistency and compliance of the Project with land use plans and zoning ordinances

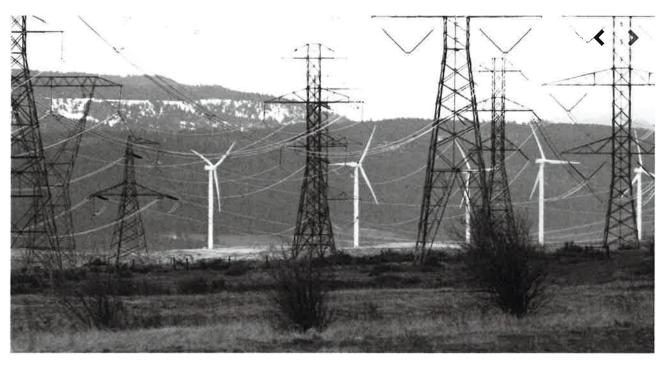


https://www.dailyrecordnews.com/news/at-kittitas-valley-project-turbines-don-t-always-turn/article_1342474a-6077-11e0-9730-001cc4c002e0.html

At Kittitas Valley project, turbines don't always turn

Company is selling power on spot market

By MIKE JOHNSTON senior writer Apr 6, 2011



Wind turbines of the Kittitas Valley Wind Power Project are visible through power lines northwest of Ellensburg on Tuesday.

Brian Myrick / Daily Record

The question has been a familiar one for Kittitas Valley Wind Power Project Operations Manager Eric Melbardis since the wind farm began generating power at the end of last year.

"People have asked why do they see the turbines at our project stopped sometimes, but they look farther west and see the turbines at the Wild Horse project spinning," Melbardis said, framing the often asked question. "There's a pretty simple answer." The 48-turbine Kittitas Valley wind farm, about 12 miles northeast of Ellensburg, doesn't yet have a long-term power purchase agreement with any utility company to buy all the electricity generated by the project.

The project, developed by Horizon Wind Energy, is selling power on the region's daily, "spot" market when the right prices and wind speed make it economically feasible to do so.

If the wind speed is not adequate and the price buyers are willing to pay is not adequate, the blades don't turn.

The Wild Horse Wind and Solar Facility, nearly 17 miles east of Ellensburg, on the other hand is owned and operated by the private utility Puget Sound Energy, and its electricity is used by the utility in its mostly Western Washington system.

Farther east, the 60-turbine Vantage Wind Power Project has turbine blades whirling in the wind. A long-term purchase agreement supplies power to a San Francisco-based utility.

"It's not unusual to have a new (wind farm) site sell on the daily market before a long-term purchase agreement can be developed for its power output," Melbardis said.

Melbardis added that generation of power starts to be economical when the wind speed reaches about 4 meters per second and higher.

At more than 22 meters per second, the blades are turned off for safety reasons.

Horizon Wind officials since late September have indicated negotiations were under way with a variety of utilities on a long-term purchase agreement.

As late as early March, the company indicated efforts were still ongoing, but no agreement was pending.

Al Wright, manager of the state Energy Facility Site Evaluation Council (EFSEC), said developers of wind farms seek long-term power purchase agreements to have a steady, set amount of funding to meet financial obligations and to pay for a project's construction.

EFSEC oversees operation of the state-approved wind farm.

The struggling economy, coupled with rising natural gas and oil prices, along with other factors, has raised more uncertainty on the part of utilities about the future.

The down economy also has caused a drop in the demand for electricity, and there is stiff competition among companies to get the lowest-cost power.

Uncertainty

Thus, with all these factors, there is a reluctance by utilities to get into a long-term agreement when it's not clear where the price of electricity is going, Wright said.

Companies don't want to be locked into a higher amount by agreement at a time when overall prices are dropping.

Yet, in the mean time, wind power project developers need income to pay the bills, Wright said.

In addition, the abundant water supplies in the Pacific Northwest are causing hydroelectric plants to fully operate with their power prices likely lower than new wind farm-generated power.

With the coming of summer weather, it's believed demand for power will go up, especially in California, and it's likely a purchase agreement will be more attractive to utilities.

"In past years, it's not been uncommon to see 10- and 15-year agreements, sometimes 20 years," Wright said.

Wright noted that reports to EFSEC indicate the Horizon Wind project operated at 18 percent capacity in January and 14 percent in February.

Kittitas Valley wind project

Developed by: International firm of Horizon Wind Energy, local offices at Ellensburg project site and Portland; the wind farm was recommended for project approval by the state Energy Facility Site Evaluation Council with final approval made by Gov. Chris Gregoire.

Turbines/towers: 48 turbines each with a tip height of 406 feet, spread on 5,416 acres.

Estimated cost: \$200 million to \$250 million project; peak generating capacity of 100.8 megawatts.

Location: About 12 miles northwest of Ellensburg on ridge tops on both sides of U.S. Highway 97.

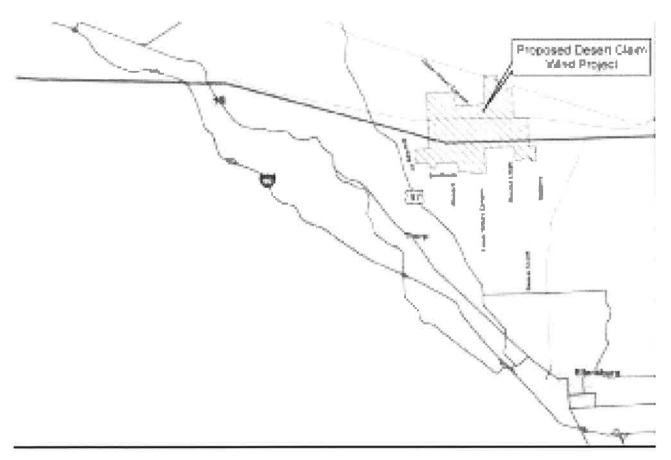
Status: Full operation and generating power into the electrical grid was on Dec. 15, 2010.

New construction: A nearly 5,000-square-foot, single-story operations and shop building was recently completed, and employees moved in two weeks ago. The building is off Bettas and Hayward roads.

Wind farm tours: Those interested in visiting the site must make arrangements well ahead of time by calling 509-857-2134. Tours are dependent on staff availability and work schedules.

Employees: There are three full-time Horizon employees and six to nine turbine company technicians on site.

MORE INFORMATION



Desert Claim wind project appears to be delayed

Joanna Markell

Managing Editor, Daily Record