Before the Wyoming
Industrial Siting Council

000139

In the matter of:

Basin Electric Power Cooperative

the Applicant

Docket No. DEQ/ISC-06-01

Request for a Permit

Campbell County, Wyoming

Permit Number DEQ/ISC-06-01

1. WHEREAS, the Industrial Siting Council having found:

   a. That Basin Electric Power Cooperative filed a Request for a Waiver of Permit Application on May 3, 2006 in accordance with the Industrial Development Siting and Information Act to construct a coal burning electricity generation facility in Campbell County.

   b. That the Notice of filing the Permit Application was sent to local governments in the area of site influence and was published in the Gillette News-Record and Casper Star-Tribune.

   c. That the Council conducted a hearing on June 14, 2006 pursuant to W. S. 35-12-107(g).

   d. That the Permit Application filed by Basin Electric Power Cooperative complies with the requirements of the Wyoming Industrial Development Information and Siting Act and the rules and regulations of the Council; there is reasonable assurance that the activities described in the application can be conducted in compliance with local laws; that activities authorized will not produce an unacceptable environmental, social or economic impact; the applicant has discussed the proposed facilities with all local governments potentially affected by the project; the proposed facilities are in compliance with all local ordinances and land use plans; and local governments which will be affected by the proposed project will receive sufficient tax revenues or mitigation payments to ensure that the facility will not pose a threat of serious injury to the social or economic condition of the local inhabitants.

   e. That after conducting the hearing and considering all testimony and evidence and imposed conditions of this Permit, the Council concluded that the proposed facility will comply with all applicable law; that by issuance of this permit the applicant has made a commitment to obtain

necessary permits and permit revisions from state regulatory agencies and Campbell County; that the facility will not pose a threat of serious injury to the environment nor to the social and economic condition of the residents in the affected area; and that the facility will not impair the health, safety, and welfare of the residents of the affected area.

f. That the proposed location of the facility is acceptable, without modification.

2. NOW, THEREFORE, pursuant to the Wyoming Industrial Development Information and Siting Act and the Industrial Siting Rules and Regulations, the Council hereby issues an Industrial Siting Permit to the Applicant for construction and operation of the facilities described in the permit application. This Permit shall be deemed to contain and be subject to conditions specified within W. S. 35-12-116 through 35-12-118, including all commitments made in the application, through testimony, mitigation agreements with local units of government, and conditions attached hereto as Attachment I, and

   a. That the facilities authorized by the permit shall be constructed and located at the site described in the application.

   b. That the Permittee shall allow entrance to the facility by authorized representative of the Industrial Siting Division with reasonable prior notice for the purposes of inspection and monitoring.

   c. That construction shall commence and follow the schedule presented in the application.

   d. Unless authorized by Section 13 of the Industrial Siting Rules, the Permit shall remain in force throughout the useful life of the facilities; the conditions and stipulations of this permit shall become effective as of the date of execution hereof.

   e. Basin Electric Power Cooperative shall not utilize any worker housing in Buffalo.

   f. The Council will review and adjust the Impact Assistance Ratio quarterly as specified by W. S. 39-15-111 and 39-16-111.

   g. Basin Electric Power Cooperative will conduct surveys to gather information in accordance with Chapter 1, Section 10 (b) of the Council's Rules and Regulations.

   h. In accordance with the authority granted to the Industrial Siting Council by W.S. 39-15-111 and 39-16-111 after receiving comments from local units of government, the Council by issuance of this permit establishes the following Impact Assistance Payments Ratio that shall be dependent upon construction of the facility:

Campbell County	82.0%
Crook County	6.5%
Weston County	3.7%
Converse County	3.0%
Johnson County	2.3%
Sheridan County	2.5%
	100.0%

DATED this 7th Day of July, 2006

INDUSTRIAL SITING COUNCIL

Dave Dunham, Chair

Attachment I
Basin Electric Power Cooperative Permit Conditions
DEQ/ISC-06-01

The following conditions shall apply to the Basin Electric Power Cooperative Permit ISC-06-01:

1. Basin Electric Power Cooperative (Permittee) will obtain and maintain all required State and local permits and approvals in accordance with W.S. 35-12-107(j)(iii), 35-12-113(a)(I) and 35-12-115 during the term of this permit.

2. Construction must commence within three years following the date of the award of this permit.

3. Before engaging in any activity over which the Industrial Siting Council (ISC) has jurisdiction which could significantly affect the environment external to Permittee's permit area, or the social and economic conditions of the area of site influence and which was not evaluated in the permit process, the Permittee shall prepare and file an evaluation of such activity with the ISC. When in the opinion of the Director of the Department of Environmental Quality (Director), the evaluation indicates that such activity may result in significant adverse impacts that were not considered in the permit the Permittee shall file a permit amendment in accordance with W. S. 35-12-106.

4. Permittee shall develop a compliance program to ensure compliance with voluntary commitments of this Permit, testimony, agreements with local governments, and these permit conditions. A compliance coordinator shall be designated and identified to the Industrial Siting Division (ISD) prior to the onset of construction. This individual shall present himself/herself and meet with the ISD staff before construction commences and review the permit requirements with the ISD staff. This coordinator shall assume the responsibility for assuring that contractors and subcontractors are aware of and meet all permit requirements.

5. The ISC may review any adverse social or economic impacts either within or outside Campbell County attributed to the Permittee:
   a. Which adversely affect the current level of facilities or services provided by the local community;
   b. Which cannot be alleviated by financing through ordinary sources of revenue, given due consideration to bonding history and capacity of the jurisdiction involved;
   c. Which were not evaluated or foreseen at the time the permit was granted and can be attributed in whole or in part to the permitted facility; and
   d. Which are not or cannot be resolved by voluntary measures by industrial representatives in the community,

Then by order issued in accordance with the Wyoming Administrative Procedures Act, the ISC may require additional mitigation by Permittee in cooperation with other basic industries (existing and future) provided that:

a. A local government has requested mitigation assistance; and
b. Such adverse impacts were determined to be a result of the activities of the Permittee.

Permittee shall be required to assist in mitigating any impacts that result from construction or operation of the proposed Project, including those resulting from direct and indirect employment. For purposes of determining additional mitigation measures by the Permittee, consideration shall be given to previous mitigation efforts. However, in any event, Permittee shall not be required to provide mitigation in excess of the proportion that the Permittee's activities are contribution to the total impacts within the impacted area (as defined by W. S. 35-12-102).

6. Regarding contractors:
   a. Permittee shall identify each contractor or subcontractor, defined in W. S. 39-6-601 who is awarded a contract and also provide such information to the Department of Revenue (DOR). To the extent reasonably possible, all purchases shall be made or constructed so that applicable sales or use taxes shall be due the State of Wyoming. Such purchases shall be constructed so that the sale as defined in W. S. 39-4-402 (a)(iii) occurs in Campbell County, Wyoming. Permittee understands that the State of Wyoming will not grant credits for use tax payments made to other jurisdictions, and Permittee will advise its contractors and subcontractors that potential multiple taxation may result if transactions are not fully considered for all tax consequences. Firms which contract for less than $50,000 are not subject to this permit requirement, however such firms shall be subject to applicable sales and use tax laws of the State of Wyoming, Title 39, Articles 4 and 5 of the Wyoming Statutes, as amended, including corresponding rules and regulations of the DOR.
   b. All contractors and subcontractors who perform non-taxable services or who provide no tangible personal property in the performance of their contracts shall not be subject to this permit condition.
   c. Permittee, contractors, and subcontractors shall provide written permission to DOR authorizing the Department to release tax payment and production value information on the project to the ISC for the construction period of the project.

7. The Permittee shall notify Industrial Siting Division when construction commences on the project.

8. The Permittee shall notify Industrial Siting Division when the physical components of the identified project are 90 percent complete.

9. As a means of adhering to W. S. 35-12-107(b)(viii) to provide preference for local and resident hiring, Permittee, contractors and subcontractors shall follow these hiring guidelines:
   a. Except as provided by (d) and (e) of this paragraph, the Permittee, contractors and subcontractors shall use the local Workforce Centers to screen all job

applicants for skilled and unskilled labor. In addition, Permittee shall make available written descriptions for those skilled and unskilled positions that will be needed at the Project. The Permittee shall not hire by other means unless the Workforce Center is unable to provide qualified workers to fill job orders.

b. Where the Workforce Center is used for hiring the Permittee, contractors, and subcontractors shall be required to include the local and resident hiring procedures in all of their subcontractors. The Permittee shall monitor the hiring practices of contractors and subcontractors to assure compliance with local hiring provisions.
c. To the extent reasonable and allowed by law, qualified Wyoming residents shall receive hiring preference over qualified non-Wyoming workers. A "resident" is defined as a person who has maintained continuous residency in Wyoming for a period of at least one year prior to hiring.
d. In the case of the need for trade labor, a local union hall may be used as the source for hiring skilled and non-skilled labor.
e. The terms, "skilled and unskilled" labor as used in this condition shall not be construed as including administrative, managerial, supervisory or professional personnel. Provided, however, the Permittee, contractors and subcontractors shall maintain an active program for recruiting qualified local and Wyoming residents for these administrative, managerial, supervisory and professional positions.

10. The Permittee shall submit an annual report to ISC for the years or portion of a year that includes construction and again for the first year of operation of the facility. The annual report shall include:
    a. Efforts to assure compliance with voluntary commitments, mitigation agreements with local governments, and conditions contained in this permit;
    b. The extent to which construction has been completed in accordance with the application schedule; and
    c. Any revised time schedules or time tables for construction, operations, and reclamation, and a brief summary of the construction, reclamation, and other activities that will occur in the next on-year period.

11. In order that the ISD may monitor Permittee's performance, the Permittee shall institute the following monitoring program that shall be recorded on a monthly basis and reported to the ISD on a quarterly basis through the construction period and the first year of operation. Monthly data shall include:
    a. The average and peak number of employees for the Permittee, contractors and subcontractors.
    b. Employee city and state of residency at the time of hire and the employee city and state while employed and type of residence while employed.
    c. The number of new students enrolled by grade level and school district who are related to Permittee employees, identified as either local (no change of residence) and in-migrants.
    d. Wyoming resident versus non-resident mix of workforce.

12. The Permittee shall notify the ISD of proposed changes to the scope, purpose, size or schedule of the project. The Director may authorize such changes if he or she finds that:
    a. The change should not result in any significant adverse environmental, social, and economic impacts in the area of site influence; and
    b. The Director has provided public notice of the proposed change and his intent to approve the request; and
    c. No party nor Council Member has requested that the matter be heard before the Council in accordance with the permit procedures of W. S. 35-12-106(c)(d).

13. The Permittee shall notify the ISC and provide an additional socio-economic analysis if actual hiring practices during construction exceed the peak number estimated in the application by more than fifteen percent (15%). If the Director determines that there is potential for significant adverse impacts, a permit amendment will be required.

14. When construction commences, the Permittee shall monitor the availability of temporary housing stocks monthly and report these results to the ISD quarterly. If at any time it appears that housing for in-migrating temporary employees of the Permittee may become short, the Permittee shall take steps to mitigate this shortage, including leasing and creation of additional temporary housing.

So ordered this 7 Day of July 2006.

Wyoming Industrial Siting Council

Dave Dunham, Chair

Certificate of Service

I, Tom Schroeder, hereby certify that the foregoing Industrial Siting Permit and its Attachment I was served by mail on this 7 Day of July 2006 by mail.

Tom Schroeder