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**WASATCH WIND
PIONEER WIND PARK I, LLC
Docket No. DEQ/ISC 10-02**

REQUEST FOR AMENDMENTS TO PERMIT CONDITIONS # 2, 15 AND 19	1
SOCIOECONOMIC ASSESSMENT UPDATE	2
NOTICE OF COMPLIANCE WITH SPECIAL CONDITIONS # 16, 17, 20 AND 21	3
AFFIDAVIT OF CHRISTINE MIKELL DEMONSTRATING COMPLIANCE WITH SPECIAL CONDITIONS NOS. 16, 17, 20 AND 21	4



May 16, 2014

Luke Esch, Administrator
Industrial Siting Division
Herschler Building 4 West
122 West 25th Street
Cheyenne, WY 82002

RE: Request for Amendments to Permit Conditions #2, #15 and #19
Pioneer Wind Park I and Pioneer Wind Park II
Industrial Siting Council Docket DEQ/ISC 10-02

Dear Mr. Esch:

Pursuant to Condition #11, Wasatch Wind Intermountain, LLC ("Wasatch Wind") hereby requests the following amendments to its Permit as amended for Pioneer Wind Park I and Pioneer Wind Park II (collectively, "Pioneer" or the "Project").

Wasatch Wind will demonstrate good cause exists in support of the requested amendments. Furthermore, the requested amendments are in compliance with local ordinances and applicable land use plans and will not significantly add to adverse environmental, social and economic impact in the impacted area.

1. Condition #2:

Condition #2 provides, "[c]onstruction must commence within three years following the date of the award of this permit." The Industrial Siting Council ("ISC") awarded the Permit on July 18, 2011.

Wasatch Wind hereby requests the July 18, 2014 deadline be extended to August 15, 2015. Should there be any subsequent appeals, Wasatch Wind further requests a day-for-day extension that corresponds with the timeframe of the appeals – from the time of the filing of any notice of appeal through the date of any decision.

2. Special Condition #19:

Special Condition #19 provides, "[p]rior to the start of construction, Permittee shall provide evidence acceptable to the Council, upon recommendation of the Industrial Siting Division, that the Permittee has obtained sufficient financial resources to construct, maintain,



operate, decommission and reclaim the facility. If sufficient financial resources are not obtained within two years, the Permit shall expire.”

The ISC approved an extension of this deadline from July 18, 2013 to May 18, 2014 in its Order dated June 24, 2013.

Wasatch Wind hereby requests an extension of Special Condition #19 as amended from May 18, 2014 to August 15, 2015. Should there be any subsequent appeals, Wasatch Wind further requests a day-for-day extension that corresponds with the timeframe of the appeals – from the time of the filing of any notice of appeal through the date of any decision.

As recently as April 11, 2014, Wasatch Wind entered into a Power Purchase Agreement (“PPA”) with PacifiCorp. The PPA is critically important for the Project and enables Wasatch Wind to provide evidence of sufficient financial resources to construct, maintain, operate, decommission and reclaim the facility.

Lengthy and extensive negotiations on the PPA began in March 2013. These negotiations were arduous and contentious, at one point requiring Pioneer to file a complaint with the Federal Energy Regulatory Commission (“FERC”). Pioneer ultimately received a favorable order from FERC in December 2013, but even this did not significantly expedite negotiations. Ultimately, in April 2014, agreement was reached, and PacifiCorp filed the PPA, subject to a Protective Order, for acknowledgement by the Wyoming Public Service Commission as required under Wyoming statutes.

The PPA is for a project with a net output of 80 megawatts. The scheduled Commercial Operation Date is June 30, 2016, while the guaranteed Commercial Operation Date is 180 days later (i.e., December 27, 2016). Nevertheless, the Project can come online and begin sales of its energy at any time before these dates.

The opponents to the Project have attempted to stymie Wasatch Wind’s efforts to succeed with the Project as well as obtain a PPA, but, notably, have not succeeded on any issue or in any forum. Nevertheless, the opposition has forced legal proceedings, including those before FERC and the Tenth Circuit Court of Appeals, that have consumed time needed to meet Condition #2 and Special Condition #19. Fairness and equity require that the deadlines be extended to allow the Project to be completed.

With the attendant expenditure of time and money, Wasatch Wind has complied with the outstanding Permit Conditions and continues to fulfill its obligations under the Permit, as evidenced with the Affidavit of Christine Mikell in Demonstrating Compliance with Special Conditions Nos. 16, 17, 20 and 21 filed concurrently herewith and incorporated by reference.

Moreover, Wasatch Wind files concurrently herewith and incorporates by reference the “Pioneer Wind Park Socioeconomic Assessment Update” prepared by Blankenship Consulting, LLC and Sammons/Dutton LLC. The Socioeconomic Assessment Update concludes that the

requested amendments are in compliance with local ordinances and applicable land use plans and will not significantly add to adverse social and economic impact in the impacted area.

Despite the appeals and efforts to kill the Project by delays and collateral and direct attacks by the opponents, the Project still enjoys key support of the local governmental entities in the area of site influence, as well as Grant Ranch and True Ranches, LLC, the private landowners upon whose land the Project will be built.

We further note that granting of the requested extensions is not legally prejudicial to those who oppose the Project. While the opponents may likely object to the requests, the fact remains that the Project was the subject of an intensely contested hearing process, at the conclusion of which the permit was granted. The Wyoming Supreme Court unanimously upheld the award of the permit. The need for additional time works no new hardship on the opponents, and certainly not in a way recognized in law. Wasatch Wind continues to comply with the permit conditions in all substantive regards and continues to comply with all applicable law, while investment and work towards the Project's completion continues in good faith.

Lastly, as evidenced by historical and recent decisions of the ISC regarding other Industrial Siting permits, the Industrial Siting Act as well as the Rules and Regulations of the Industrial Siting Council allow for considerable latitude in granting extensions.

3. Condition #15:

Condition #15 states in pertinent part, “[b]efore the start of construction Permittee shall provide a surety bond or similar security acceptable to the Administrator in the amount of \$18,767,000.00 for decommissioning and reclamation as called for by W.S. 35-12-109(a)(xx) and the Rules of the Council.”

Wasatch Wind hereby requests the amount of security be reduced from the amount of \$18,767,000.00 to \$13,636,285.00.

Wasatch Wind requested and received approval from the ISC to reduce the number of wind turbine generators from 62 to 46 turbines on June 24, 2013. Due to the decrease in the project size from 100 megawatts to 80 megawatts, Wasatch Wind requests a corresponding reduction in the amount of the surety bond or similar security.

As stated in prior amendment requests, Wasatch Wind remains completely committed to bringing this Project to fruition. All told, Wasatch Wind has spent 60 months and roughly \$10 million on this Project to earn the approval of the Industrial Siting Council and the Converse County Commission, have the decisions affirmed by the Eighth Judicial District Court and the Wyoming Supreme Court, and come to agreements with financial partners and power utilities.

Wasatch Wind hereby respectfully requests the ISC review the requested amendments at a meeting and that the amendments be granted.



Please do not hesitate to contact me if you have any questions or concerns, or if you require any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Christine Mikell".

Christine Mikell
President, Wasatch Wind



SOCIOECONOMIC ASSESSMENT UPDATE

PIONEER WIND PARK I • Docket No. DEQ/ISC 10-02

Submitted to the
Wyoming Industrial Siting Division

Submitted by
Wasatch Wind Intermountain, LLC
1996 East 6400 South, Suite 240 • Salt Lake City, UT 84121

MAY 2014

Prepared by
Blankenship Consulting LLC and SAMMONS/DUTTON LLC

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ACRONYMS

Bbls	barrels
CCRFCA	Converse County Rural Fire Control Association
EPC	engineering, procurement and construction
FICA	Federal Insurance Contributions Act
FY	Fiscal Year
G/CCVFD	Glenrock/ Converse County Volunteer Fire Department
Gpd	gallons per day
IAP	impact assistance payment
ISC	Industrial Siting Council
LUP	Land Use Plan
Mcf	thousand cubic feet
mg	million gallons
PWP	Pioneer Wind Park
RV	recreational vehicle
WCDA	Wyoming Community Development Authority
WEAD	Wyoming Department of Administration and Information, Economic Analysis Division
WHP	Wyoming Highway Patrol
WTG	wind turbine generator
WOGCC	Wyoming Oil and Gas Conservation Commission
WWI	Wasatch Wind Intermountain, LLC

INTRODUCTION

A Socioeconomic Assessment (2011 Socioeconomic Assessment) was prepared as part of the January 2011 Pioneer Wind Park (PWP) I and PWP II Section 109 Permit Application (the Application). In compliance with Section 12(i) of Chapter 1 of the Rules and Regulations of the Industrial Siting Council (ISC), this current Socioeconomic Assessment Update (Update) provides the following:

1. Updated construction schedule, project workforce, project cost, and start of commercial operations based on changes that result from the ISC Amendments to the PWP I project approved June 24, 2013; October 1, 2013; and December 18, 2013.
2. Updated relevant social and economic baseline conditions within the area of Site Influence of the PWP I project.
3. Updated discussion of socioeconomic effects where material changes are expected to occur based on the updated construction schedule, construction and operations workforces, project cost, and start of commercial operations for PWP I.

The 2011 Socioeconomic Assessment concluded that neither of the two proposed projects would pose a threat of serious injury to social and economic conditions of the current habitants or expected future inhabitants of the affected area. The current assessment reaches the same conclusion for the amended PWP I project.

In addition, the amendments submitted by PWP I, LLC on May 16, 2014 are in compliance with local ordinances and applicable land use plans and will not significantly add to adverse social and economic impact in the impacted area.

1. AREA OF SITE INFLUENCE, LOCAL GOVERNMENTS PRIMARILY AFFECTED AND STUDY AREA

The 2011 PWP Application recommended that the area of site influence for socioeconomic assessment include Converse County and the communities of Glenrock, Douglas, and Rolling Hills, and Natrona County and the communities of Casper, Evansville, Mills and Bar Nunn (**Figure 1**).

1.1 Recommended Area of Site Influence, Local Governments Primarily Affected, and Study Area for the Update

The major factors influencing the Area of Site Influence, Local Governments Primarily Affected, and Study Area (the location of the proposed project and ancillary facilities, the communities within reasonable commuting distance and time from the project area, and the experience of similar Converse County wind energy projects) are unchanged from those identified in the 2011 Socioeconomic Assessment. Therefore, Wasatch Wind Intermountain, LLC (WWI) recommends that the Area of Site Influence, Local Governments Primarily Affected, and Study Area for this Update include Converse County and the communities of Glenrock, Douglas, and Rolling Hills and Natrona County and the communities of Casper, Evansville, Mills and Bar Nunn.

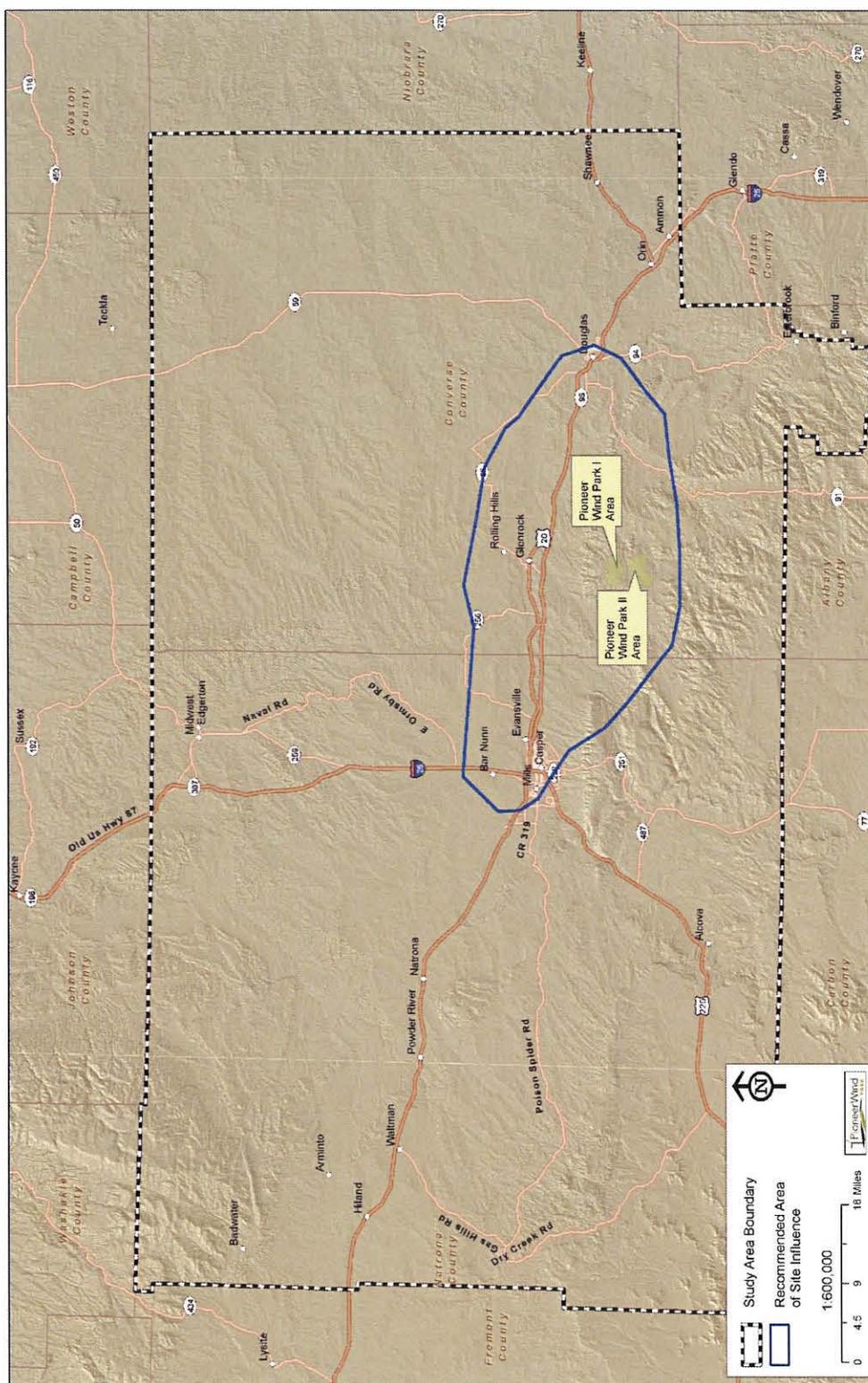


Figure 1. Pioneer Wind Park Recommended Area of Site Influence and Study Area

2. CONSTRUCTION SCHEDULE

The amended PWP I construction schedule would span a total of 16 months including a six-month period from mid-November through mid-May when construction activities are limited due to weather and other restrictions (**Table 1**). As currently proposed, construction would commence in August of 2015. As will be described in the Update, a delay in the construction start date would have minimal effect on potential social and economic effects of the amended project.

3. START OF COMMERCIAL OPERATIONS

Based on the above construction schedule, commercial operation of the Amended PWP I would begin in December of 2016 at the latest.

4. CONSTRUCTION AND OPERATIONS WORKFORCE ESTIMATES

The number, residence and earnings of the construction and operations employees are important factors in assessing the potential short-term effects to socioeconomic resources in the surrounding communities. Purchases of equipment, material and services by the construction contractors and employees and during project operations made in the local region are also important factors in determining potential effects.

4.1 Construction Workforce Estimates for PWP I

PWP I, LLC, in consultation with a wind power project engineering, procurement, and construction (EPC) company, has estimated the direct construction and operating workforce requirements for the amended PWP I project based on the proposed number of wind turbine generators (WTGs), site access and on-site development, and power collection and interconnection facilities. **Table 1** lists the number of workers by job classification, month, and calendar quarter for the revised construction schedule. The number of construction workers for PWP I is anticipated to range from 19 workers during the initial four-month period when access and earthwork construction is initiated in the fall of the first year, to a peak of 224 workers during July 2016. As noted above, there would be a six-month period when no on-site construction would occur and the construction workforce would be limited to two workers. This would be followed by a seven-month plus primary construction period when major on-site work within the PWP I site would occur.

The PWP I peak-month construction workforce is 33 percent (56 workers) larger than the anticipated peak associated with the original PWP I and II project configuration. Average construction employment over the primary construction period is projected at 179 workers. The higher peak construction workforce results from the consolidation of the PWP I and II projects, and from condensing the schedule from 12 construction months to essentially 7 ½ major construction months (there will also be four months of access construction under the revised PWP I schedule when the workforce is anticipated to total under 20 workers per month).

Table 1. Estimated PWP I On-Site Construction Workforce, by Quarter and Job Classification.

Job Classification	Q3 2015			Q4 2015			Q1 2016			Q2 2016			Q3 2016			Q4 2016		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May ¹	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Manager ²	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Other Supervision	0	1	1	1	1	0	0	0	0	0	1	1	1	1	1	1	1	1
Engineers & Surveyors	0	7	7	7	3	0	0	0	0	6	6	6	6	6	7	5	5	4
Administrative	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Civil Construction Workers	0	9	9	9	9	0	0	0	0	68	78	78	78	68	58	58	58	30
Safety Inspectors	0	1	1	1	1	0	0	0	0	1	1	1	1	1	1	1	1	1
Turbine Vendor Personnel	0	0	0	0	0	0	0	0	0	5	5	5	5	5	6	6	6	3
WTG & Met Erection	0	0	0	0	0	0	0	0	0	2	4	14	14	16	17	17	14	
Electrical Construction Workers	0	0	0	0	0	0	0	0	0	71	82	87	79	71	63	63	33	
Totals	0	19	19	19	19	2	2	2	2	179	202	224	198	184	175	175	96	

Source: PWP I, LLC

Note: On-site construction work during Nov. and May would be scheduled to comply with construction exclusions due to big game and sage grouse timing stipulations.

¹ Major on-site construction resumes May 16.

² Project manager will perform all supervision, safety and inspection duties until major construction activities begin.

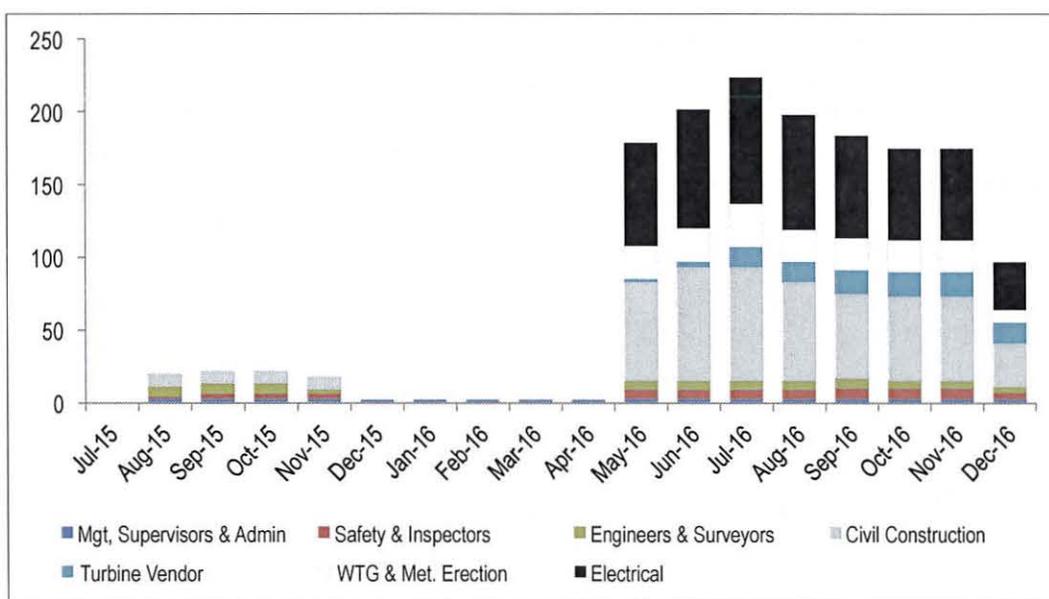


Figure 2. Estimated PWP I On-Site Construction Employment, by Month

4.2 Local Hiring and Expected Use of Non-Local Specialized Skilled Workers

Development of the project will entail a combination of tasks requiring a variety of skilled construction workers, including civil construction (e.g., concrete finishers, heavy equipment operators and truck drivers), electricians, and specialists in tower erection and WTG installation. A number of general laborers will also be required.

The erection, installation, and commissioning of WTGs requires specialized skills and contractors that are typically not available in the local labor force. Consequently, WTG vendors commonly employ their own highly specialized crews for receiving, erecting, commissioning, and other aspects of WTG installation. Other contractors employing workers with WTG erection and installation skills are likely to be predominantly non-local, mobilizing into the local area for the duration of their specific task.

At the same time, PWP I, LLC recognizes the value that local contractors and workers can bring to a construction project and understands the importance of supporting nearby communities and their economies. Although the Converse and Natrona County labor force contains a substantial number of construction contractors and workers with some of the required construction skills, local construction contractors and the construction worker labor pool appear to be almost fully employed on oil and gas and other industrial, commercial, and residential construction projects at the time of this update. Representatives of the Wyoming Department of Workforce Services currently report numerous unfilled construction-related openings and that construction contractors are recruiting workers from elsewhere in Wyoming and from other states. This local construction labor shortage is likely to persist for the foreseeable future, given the increasing level of oil and gas drilling and field development anticipated in Converse County and elsewhere in northern Wyoming.

PWP I, LLC will direct its EPC contractor and subcontractors to seek qualified local workers and qualified and cost-competitive local contractors, and will work with the Wyoming Workforce Services

offices in Douglas and Casper to post job openings and hire qualified workers. PWP I has set a local hiring target of 15 percent of the construction workforce. If achieved, the PWP I construction workforce would contain an average of 27 local workers during the primary construction season (**Table 2**). However, based on the current and ongoing construction labor shortage in Converse and Natrona counties, this Update examines the socioeconomic effects assuming both a 15 percent local hire rate and a case where no qualified local workers or contractors are available to work on the construction of PWP I.

Table 2. Estimated PWP I Local Construction Workers, by Quarter and Job Classification, assuming a 15% local hire target is achieved.

Job Classification	Q3 2015			Q4 2015			Q1 2016			Q2 2016			Q3 2016			Q4 2016		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May ³	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Manager ⁴	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Engineers & Surveyors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Civil Construction Workers	0	3	3	3	3	0	0	0	0	0	17	20	24	20	18	18	18	10
Safety Inspectors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Turbine Vendor Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WTG & Met Erection	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Electrical Construction Workers	0	0	0	0	0	0	0	0	0	10	10	10	10	10	10	8	8	4
Totals	0	3	3	3	3	0	0	0	0	0	27	30	34	30	28	26	26	14

³ Major on-site construction resumes May 16.

⁴ Project manager will perform all supervision, safety and inspection duties until major construction activities begin.

4.3 Estimated Construction Wages and Benefits

The EPC contractor for PWP I will provide competitive compensation to workers employed during the construction phase of the project. Compensation will include wages, salaries, and employer contributions to FICA (Federal Insurance Contributions Act). EPC contractor employees will have employee health insurance and worker’s compensation insurance as well as paid holidays, vacation, and other benefits. Any subcontractors will be required to provide worker’s compensation insurance and many employees of subcontractors would likely receive or be eligible for additional benefits, e.g. contributions to the costs of health insurance, retirement, or paid vacation through their employer. The extent of such eligibility cannot be determined at this time. Based on experience and knowledge of the trends within the industry provided by potential EPC contractors, the estimated value of benefits provided would average 20 percent of the direct wages and salaries paid to employees, not including the employer portion of payroll taxes.

The average monthly compensation for construction workers employed on the Projects, including the 20 percent allowance for benefits, ranges from \$4,860 (\$58,320 annually) for the administrative assistant to \$11,430 (\$137,160 annually) for the EPC on-site project manager. The mean average monthly compensation over the entire construction schedule would be just over \$7,100 (\$86,280 annually). The total payroll for the project would be \$10,943,650 (Table 3).

Table 3. Estimated Construction Labor Costs, PWP I

Job Classification	Average Monthly Wages / Salary **	Project Total
Project Manager	\$ 11,430	\$ 182,880
Engineers, Surveyors, Supervisors, Safety and Inspection Technicians	6,930	790,020
Administrative	4,860	77,760
Civil Construction Workers	5,920	3,161,280
WTG Technicians (Turbine Vendor)	6,830	696,660
Electrical Construction Workers	8,990	5,043,390
Riggers (Tower erection)	5,540	991,660
Total Payroll		\$10,943,650
Per Diem (@ \$70/day)		2,130,800
Travel (@ \$1000/month)		1,522,000
Total Construction Labor Cost		\$14,596,450

** Includes a 20% allowance for benefits, but excludes employer’s share of payroll taxes.

Non-local EPC and subcontractor workers will receive housing, per diem, and travel allowances. Under the most conservative case of no local hiring, an estimated \$3,652,800 in such payments would be made during the construction phase of the project, the majority of which would be spent on services and lodging in the area of influence during the eight primary construction months. If the 15 percent local hire target were achieved, an estimated \$3,104,880 in housing, per diem, and travel allowances would be paid.

Compensation paid to construction workers would be more heavily concentrated in the last three quarters of 2016 when pad construction, tower erection, and turbine installation are occurring. Labor compensation would peak at \$5.3 million in the third quarter when workers would collectively earn more than a third of the total project-related compensation (Table 4).

Table 4. Estimated Construction Labor Compensation, by Quarter, PWP I

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Total
Payroll	\$ 124,000	\$ 264,290	\$ 171,750	\$ 3,201,620	\$ 3,976,380	\$ 3,205,610	\$10,943,650
Per Diem	26,600	56,000	33,600	620,200	770,000	624,400	2,130,800
Travel	19,000	40,000	24,000	443,000	550,000	446,000	1,522,000
Total Labor Cost	\$ 169,600	\$ 360,290	\$ 229,350	\$ 4,264,820	\$ 5,296,380	\$ 4,276,010	\$14,596,450
Percent	1.2%	2.5%	1.6%	29.2%	36.3%	29.3%	100.0%

4.4 Operations Workforce Estimates

PWP I, LLC anticipates a total workforce of eight permanent, full-time workers during full-scale operations. Hiring of the operating workforce, which will include six wind technicians, would begin in the third quarter of 2016 as the WTGs are delivered and tower erection gets underway. The full staffing complement is expected by the time all WTGs are commissioned at year-end 2016. This Update assumes that two workers (25 percent of the operations workforce) would be locally hired. The Update also discusses potential effects if no qualified local operations workers are available.

Table 5. Classification and Target Residency Status for Operating and Maintenance Staff, PWP I at Full Operations.

Position	Number	Local Hires	Non-Local Hires
Supervisor	1	0	1
Wind Technicians	6	2	4
Administrative Assistant	1	0	1
Total	8	2	6

The permanent on-site staff for the PWP would be augmented by administrative and technical personnel located off-site, in a location outside of the PWP I Area of Site Influence. In addition, personnel associated with the WTG manufacturer and other contractors and vendors would be on-site intermittently providing scheduled and unscheduled maintenance on a contract basis. These workers would be on-site only temporarily; from a matter of hours up to several weeks. The frequency, timing, and level of such employment are unknowable at this time.

4.5 Operations Workforce Salaries and Benefits

Based on the prevailing wages and salaries in the industry and the anticipated level of employment, the annual payroll for on-site workers during operations would be approximately \$700,000, including the employer-paid FICA, worker's compensation, and contributions to a comprehensive fringe benefit package. This benefit package would include paid vacation, paid holidays, comprehensive medical insurance (including family members), dental insurance, vision care insurance, disability insurance, life insurance, flexible benefit account (medical savings account), disability insurance, and a bonus program for some workers.

4.6 PWP I Impacts on Total Employment

As described above, in addition to the direct, or basic, jobs associated with construction and operation of PWP I, the project would support a number of indirect and induced jobs, i.e., non-basic or secondary jobs, in the region. Based on economic data for Wyoming and the labor requirements and spending patterns associated with construction of wind energy projects, up to 71 indirect and induced “average job equivalents” would be supported in Converse and Natrona counties during construction (Table 6).⁵ That estimate reflects a secondary job multiplier of 0.4 during construction, i.e., 0.4 secondary jobs for each full-time direct worker, and is applied to the average direct construction employment during the primary construction period.

The peak secondary employment effect would occur during the summer of 2016, which would coincide with the summer travel season and the likely seasonal upswing in oil and gas development in the region. In the current labor market, overall labor availability is very tight, which would tend to encourage labor force in-migration and population gains. An offsetting influence is that the secondary opportunities would be of relatively short duration and heavily concentrated in the trade, service, and hospitality sectors. Housing availability, discussed in a subsequent section, would be limited during this period, particularly for lower earning workers in these secondary sectors.

Table 6. PWP I Employment Impacts in the Area of Site Influence.

	Construction Average (2015)	Operations
Direct On-Site Workers	179	8
Induced/Indirect Job Equivalents**	71	6
Total Jobs Supported	250	14
Direct Jobs Filled by Locals	0 - 27	0 - 2
Direct Jobs Filled by Non-locals	152 - 179	6 - 8
Indirect/Induced Jobs filled by Locals	0 - 71	0 - 6
Indirect/Induced Jobs filled by Non-locals	0 - 71	0 - 6

** Induced and indirect employment are estimated using the following multipliers: 0.4 jobs per direct construction job (based on average employment during the peak quarter) and 0.8 jobs per direct operations job.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 2014.

Operations and maintenance expenditures in the local economy, along with the consumer expenditures of staff during operations of the PWP, would support an estimated six indirect and induced equivalent jobs elsewhere in the economy over the long term. Given the relatively short duration of construction, the fact that workers would be distributed to a number of communities, and the fact that the additional business would be spread across a number of establishments, the 2011 Socioeconomic Assessment assumed that all indirect jobs would be filled by local workers or perhaps by business accommodating the demand with existing employees. Given that oil and gas-related employment growth has increased employment and

⁵ The term “average job equivalents” is used to characterize the secondary employment effects because the incremental labor demand associated with the project’s construction-related economic stimulus is likely to result in a combination of temporary hires and increases in the hours worked by existing part-time employees and overtime by full-time employees and owners, that would collectively be equivalent to 71 additional jobs in the affected sectors. Those jobs would be spread out over many establishments in Douglas, Glenrock, Casper, and other communities.

decreased unemployment in Converse and Natrona counties, as will be discussed in a following section of this Update, some local businesses may have difficulty in hiring local employees to meet increased demand, and existing employees may already be working to capacity. On the other hand, as the increase in oil and gas-related employment and population has absorbed much of the available housing stock, recruiting workers from outside the two-county area may also be challenging. In cases like these, it is common for the local labor pool to expand as residents not commonly in the workforce—e.g. high school students and retired persons—become employed.

This Update acknowledges that many PWP I indirect and induced jobs may be filled by local workers, but also discusses the effects associated with an all non-local indirect and induced workforce.

5. SOCIAL AND ECONOMIC CONDITIONS: INVENTORY, EVALUATION, AND IMPACT ASSESSMENT

5.1 Land Use and Land Use Changes

According to the General Land Use Map for Converse County contained in the Converse County Land Use Plan (LUP) (Converse County 2003), the PWP I project site and surrounding land lies within the Agricultural land use category. The 2011 PWP Application concluded that construction and operation of the proposed projects would not alter the current land use category, and that agriculture and other current uses of lands within the project areas would continue at the discretion of the individual landowners.

5.1.1 Land Use and Land Use Changes under the Proposed Amendment

The existing land use within the PWP Site has not changed from the original application. Therefore construction and operation of the proposed amended project would not alter the current land use category. As per the provisions of the leases between PWP I, LLC and the affected landowners, agriculture and other current uses of lands within the project areas would continue at the discretion of the individual landowners.

5.2 Area Economic Study

The impact analysis methods and data sources used for the Update are the same as those used for the original application. Where available and relevant, updated economic data has been incorporated.

5.2.1 Baseline Changes in Economic Conditions

The major change in economic conditions within the PWP Study Area is related to the increase in oil and gas drilling and field development activity in the southern Powder River basin, which within the Study Area has been concentrated in Converse County. In Converse County an average of 13 rigs were drilling in 2013; the April 2014 average was 10 rigs, all of which were drilling for oil.

Converse County oil production increased from 2,398,591 barrels (Bbls) in 2010 to 8,021,184 Bbls in 2013, a 230 percent increase over the three-year period, and natural gas production increased from 7,780,652 thousand cubic feet (Mcf) to 22,954,468 Mcf, a two hundred percent increase during the same period (WOGCC 2014).

In contrast to the large-scale increases in oil production in Converse County, Natrona County oil production increased from 5,300,955 Bbls in 2010 to 5,378,516 Bbls in 2013, a one percent increase over the period. Natural gas production in Natrona County decreased 47 percent during the period, from 24,198,424 Mcf to 12,747,836 Mcf (WOGCC 2014).

Although Natrona County has not experienced the level of oil and gas development as its neighbor to the east, the County has benefited from the activity in Converse County and elsewhere in Wyoming because the Casper area serves as a regional oil and gas service center for much of central Wyoming.

The recent surge in oil and gas development in Converse County has generated employment and population increases within the PWP I Study Area, as will be discussed in subsequent sections of this Update.

5.2.2 Baseline Employment and Unemployment

The recent increase in employment in Converse and Natrona counties is evident in the data reported by the U.S. Bureau of Labor Statistics for county workforce, employment, and unemployment by place of residence.

Table 7. Labor Market Summary, 2009 to 2013.

	2009	2010	2011	2012	Jan – Sept 2013	2009 – 2013 Change	2009 – 2013 Percent Change
Converse County							
Labor Force	7,631	7,747	7,808	8,160	8,474	743	10%
Employed	7,195	7,299	7,427	7,819	8,084	889	12%
Unemployed	436	448	381	341	289	-147	-32%
Unemployment Rate	5.7%	5.8%	4.9%	4.2%	3.5%		
Natrona County							
Labor Force	41,254	41,913	42,742	43,900	44,434	3,180	8%
Employed	38,542	38,880	40,125	41,763	42,548	4,006	10%
Unemployed	2,712	3,033	2,590	2,137	1,886	-826	-30%
Unemployment Rate	6.6%	7.2%	6.1%	4.9%	4.2%		

Source: U.S. Bureau of Labor Statistics, 2014

As shown in **Table 7**, the number of employed by place of residence in Converse and Natrona counties increased by 12 percent and 10 percent, respectively, while unemployment decreased by 32 percent and 30 percent, respectively. These statistics do not include the substantial numbers of non-local employees working in the oil and gas industry who are not captured in employment by place of residence statistics.

5.2.3 Changes in the Economic Base

Two Converse and Natrona County economic sectors have driven most of the change in the study area since the 2011 Socioeconomic Study. These are the mining and natural resource sector (which includes oil and gas development) and the construction sector.

Mining and Natural Resources

As shown in **Figure 3**, monthly average mining and natural resources employment in Converse County increased 45 percent, from 987 in 2009 to 1,430 in the first nine months of 2013. Natrona County

monthly average mining and natural resources employment increased 32 percent from 3,168 to 4,178 during the same period.

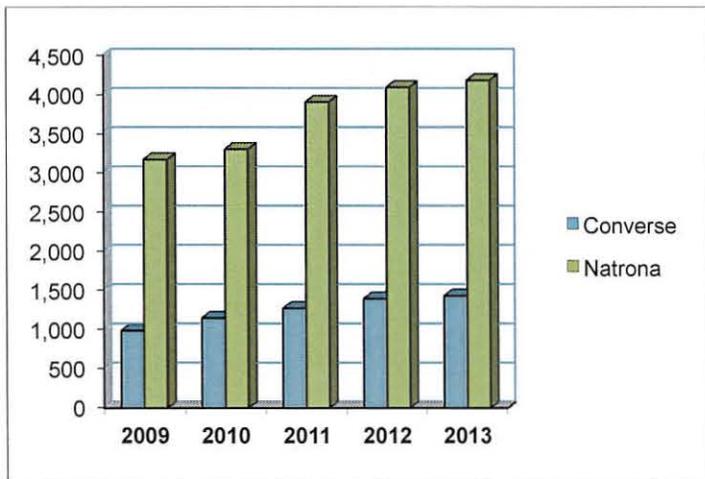


Figure 3. Mining and Natural Resources Sector Employment in Converse and Natrona Counties: 2009 – September 2013

Source: Wyoming Department of Workforce Services, 2014a.

Construction

Construction employment by place of residence in Natrona County increased about 14.5 percent from a monthly average of 2,701 in 2009 to an average 3,093 for the first nine months of 2013. In contrast, construction employment decreased 34 percent, from a monthly average of 642 in 2009 to an average of 421 for the first nine months of 2013. The decrease reflects the completion of large wind energy projects in the county and the likely transition of some construction workers to jobs in the mining and natural resources sector.

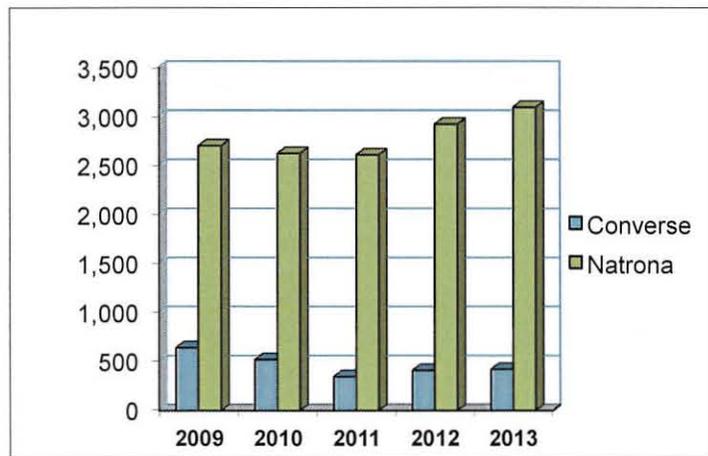


Figure 4. Construction Sector Employment in Converse and Natrona Counties: 2009 – September 2013

Source: Wyoming Department of Workforce Services, 2014a.

5.2.4 Personal Income

On an aggregate basis, personal income in both counties increased over 17 percent from 2010 to 2012, the most recent year reported by the U.S. Bureau of Economic Analysis (**Table 8**). Much of this growth in income is likely attributable to the increase in oil and gas development in Converse County and the region.

Table 8. Total Personal Income, Converse and Natrona Counties: 2010 – 2012 (\$000)

	2010	2011	2012	Percent Increase 2010 – 2012
Converse County	\$ 596,835	\$ 658,823	\$ 703,918	17.9%
Natrona County	3,859,345	4,245,968	4,522,439	17.2%

Source: U.S. Bureau of Economic Analysis, 2014.

5.2.5 Future Economic Conditions

The most recent statewide 10-year employment forecasts provided by the Wyoming Department of Employment, issued in July of 2013 (**Table 9**), anticipate a statewide decrease in employment in the Mining and Natural Resources sector, driven by the anticipated reductions in natural gas drilling as well as coal and other mining. Oil and gas drilling in the southern Powder River Basin is likely to run counter to the forecast trend. Similarly, construction in Converse and Natrona counties is likely to outpace the forecast annual 0.8 percent annual growth rate in the two-county area, at least in the early years of the 10-year period.

Table 9. Long-Term Employment Projections for the State of Wyoming, by Industry, 2012 – 2022.

Industry	Base Employment 2012	Projected Employment 2014	Projected Employment 2022	Net Change 2012 to 2022	Percent Change 2012 to 2022
Agriculture, Forestry, Fishing and Hunting	2,603	2,736	3,271	668	2.3%
Mining	28,055	30,301	39,285	11,230	3.4%
Utilities	2,482	2,543	2,788	307	1.2%
Construction	22,827	23,171	24,549	1,723	0.7%
Manufacturing	9,468	9,586	10,059	591	0.6%
Wholesale Trade	9,068	9,631	11,887	2,819	2.7%
Retail Trade	29,338	29,521	30,255	918	0.3%
Transportation and Warehousing	10,582	11,062	12,979	2,397	2.1%
Information	3,872	3,865	3,838	(34)	-0.1%
Finance and Insurance	6,667	6,714	6,906	239	0.4%
Real Estate, Rental, and Leasing	4,015	4,165	4,767	752	1.7%
Professional, Scientific, and Technical Services	9,124	9,486	10,938	1,814	1.8%
Management of Companies	889	947	1,177	288	2.8%
Administrative Support, Waste Management and Remediation	8,171	8,412	9,376	1,206	1.4%
Educational Services	30,006	31,998	39,968	9,962	2.9%
Health Care and Social Services	30,836	32,192	37,616	6,781	2.0%
Arts, Entertainment, and Recreation	2,794	2,935	3,499	705	2.3%
Accommodations and Food Services	30,098	31,002	34,619	4,521	1.4%
Other Services	8,482	8,962	10,884	2,402	2.5%
Public Administration	31,395	32,338	36,111	4,716	1.4%
Total	280,767	291,567	334,773	54,006	1.8%

Source: Wyoming Department of Workforce Services, 2014b.

5.3 Population

Recent and current estimates of the resident population within the Area of Site Influence have been obtained from the Wyoming Department of Administration and Information, Economic Analysis Division (WEAD), which at the time of this Update has published population estimates for the state and counties through July 2013 and for municipalities through 2012. WEAD's estimates are based on U.S. Census Bureau estimates (**Table 10**).

5.3.1 Current Conditions

Table 10. Converse and Natrona County Population Change (2009-2013).

	2009	2012	2013	Percent Change 2009 – 2013 (State & County)	Percent Change 2009 – 2012 (Municipalities)
Wyoming	544,270	576,412	582,658	7.1%	
Converse County	13,578	14,008	14,313	5.4%	
Douglas	6,212	6,280			1.1%
Glenrock	2,466	2,583			4.7%
Lost Springs	1	4			300.0%
Rolling Hills	512	441			-13.9%
Balance of County	4,387	4,700			7.1%
Natrona County	74,508	78,621	80,973	8.7%	
Bar Nunn	1,926	2,428			26.1%
Casper	54,874	57,813			5.4%
Edgerton	179	197			10.1%
Evansville	2,504	2,827			12.9%
Midwest	438	407			-7.9%
Mills	3,574	3,479			-2.7%
Balance of County	11,013	11,470			4.1%

Source: Wyoming Economic Analysis Division 2013 and 2014

Converse and Natrona counties both experienced population gains during the 2009 to 2013 period. Converse County grew by 7.1 percent and Natrona County grew by 8.7 percent (Table 10). The population growth for municipalities is only available through 2012. The population growth in most communities was somewhat lower than the respective county growth for that period. Some communities with relatively small population bases showed more dramatic gains and losses on a percentage basis (e.g. Lost Springs). It is likely that when available, the 2013 population estimates for communities will show population growth for some communities within the PWP I Area of Site Influence that are commensurate with the county population gains for 2013.

5.3.2 Future Population

The most recent WEAD population forecasts were prepared in 2011. Table 11 contrasts these forecasts with the Division’s 2012 population estimates for communities and counties within the PWP I Area of Site Influence. As shown by the table, the Natrona County towns of Bar Nunn and Evansville had already exceeded WEAD’s forecasts for 2016 by 2012.

Table 11. 2012 Population Estimates and 2016 Forecasts for Counties and Communities in the PWP I Area of Site Influence.

	2012 Estimate (Issued 05/2013)	2016 Forecast (Prepared 10/11)	2012 -2016 Population Change
Converse County	14,008	15,250	1,242
Douglas	6,280	6,747	467
Glenrock	2,583	2,840	257
Rolling Hills	441	485	44
Natrona County	78,621	79,860	1,239
Bar Nunn	2,428	2,342	-86*
Casper	57,813	58,549	736
Evansville	2,827	2,693	-134*
Mills	3,479	3,663	184

Sources: WEAD, 2011 and 2013.

5.3.3 Construction Impacts

Construction of PWP I would result in temporary in-migration of non-local workers. If PWP I and its EPC contractor were able to achieve the local hire target of 15 percent, the non-local workforce would average about 152 workers during the primary construction months, peaking at 190 non-local workers during July of 2016. Assuming no qualified local construction workers or contractors are available, the peak workforce would be 224. Historically, the majority of wind energy project construction workers relocate to Converse and Natrona counties in single status – that is, unaccompanied by other family members. Disincentives for household relocation to the PWP I Area of Site Influence include: 1) the relatively short primary construction period (approximately seven and a half months), 2) turnover among the on-site employees as different construction tasks are initiated and completed, 3) the tendency for many construction workers to return to their permanent residence on weekends, and the current and anticipated future scarcity of rental housing. These disincentives suggest that the PWP I effects on local population in the two-county area of influence would be only slightly higher than the number of non-local construction workers. If 10 percent of construction workers were be accompanied by households with an average household size of 2.42 persons and PWP I LLC and its EPC contractor were unable to achieve the local hire target of 15 percent, the maximum population associated with the direct construction workforce would be approximately 256 during the peak construction month.

Estimating the population effects of the PWP I-generated indirect and induced employment is also complicated. Given recent and current oil and gas-related employment demand in the PWP I Area of Site Influence, the corresponding decrease in unemployment, and anticipated expansion of oil and gas-related activity, the demand for workers—particularly in the lower-paying retail, service, and hospitality industries—will likely continue to exceed local supply. While such conditions tend to stimulate workforce migration, the current shortage and cost of housing, discussed in the following section, would dissuade some workers from relocating to communities in the PWP I Area of Site Influence. Nevertheless, if all 71 PWP I construction-related secondary job equivalents were filled by non-locals employing only a single worker and an average household size of 2.4 persons, the “worst case” secondary employment-related population attributable to PWP I would be 172 additional residents for the primary construction period. Again, because of the current and anticipated demand for secondary workers, related to oil and gas development, these workers would likely be a part of the ongoing overall employment demand.

Based on these estimates, the “worst case” population increment associated with the eight active construction months of PWP I would peak at 428 persons. That number represents about 0.6 percent of the combined population of the communities within the PWP I Area of Site Influence.

5.3.4 Operations Impacts

PWP I LLC anticipates a total of eight onsite workers will be required during project operations. The goal is to hire as many of those workers as possible from the local labor force. This Update assumes that 25 percent (2) of those jobs would be filled by current residents and the other 75 percent (6 workers) would relocate to the area. Operations and maintenance of PWP I would generate an estimated six additional indirect and induced job equivalents in the local economy. These jobs are likely to be spread across a number of sectors.

Under the most conservative assumption that none of the direct or indirect jobs associated with operations are filled locally, and that each non-local household that relocates has a single worker and an average household size of 2.42, operations of PWP I would increase the PWP I Area of Site Influence by about 34 persons. That total is less than one-tenth of one percent of combined 2012 population of communities in the Area of Site Influence.

5.4 Housing

The housing analysis conducted for the 2011 Socioeconomic Assessment characterized existing housing resources in the study area and assessed the ability of those existing resources to accommodate housing demand associated with the peak non-local construction workforce and a relatively small number of relocating operations workers.

This update addresses the changes in temporary lodging (motels and recreational vehicle [RV]/mobile home parks) that have occurred in the Area of Site Influence since the 2011 Socioeconomic Assessment, describes recent occupancy rates, and assesses the ability of the lodging base to accommodate the peak PWP non-local construction workforce. A list of area lodging proprietors willing to accommodate the PWP construction workforce is also included.

5.4.1 Existing Conditions

Conventional Housing

The Wyoming Community Development Authority (WCDA) reported 6,366 housing units in Converse County as of December, 2012 (WCDA 2014). Of those, 758 were reported as vacant, but of the vacant units, only 46 were for sale and 126 were reported as available for rent. In Natrona County, there were a total of 33,952 units of which 3,546 were vacant. Of the vacant units, 414 were for sale and 664 were reported as available for rent. Despite these statistics there is a shortage of rental housing in the communities within the area of site influence. WCDA reported that out of 922 rental units surveyed in December 2013, only 16 were available. In Natrona County, 196 units were vacant out of 5,666 surveyed (WCDA 2014). Moreover, rental costs have risen substantially in recent years (**Table 12**).

Table 12. Average Rental Housing Cost Increase, Converse & Natrona Counties; 2010 – 2013

	Houses	Apartments	Mobile Homes	Mobile Home Lots
Converse County	61.5%	31.9%	34.3%	13.1%
Natrona County	10.6%	19.5%	1.3%	1.9%

Source: WCDA 2013

Temporary Housing

Temporary housing includes hotel and motel rooms and RV park spaces or pads. For non-local construction workers, such housing typically represents the most common option. The 2011 Socioeconomic Assessment identified 3,105 motel rooms and 410 RV pads within the study area. The inventory conducted for the Update identified 3,171 motel rooms and 479 RV pads.

Table 13. Temporary Lodging Units within the Area of Site Influence.

	HOTELS and MOTELS		RV PARKS / CAMPGROUNDS	
	Establishments	Rooms	RV Parks	Pads
Converse County Total	10	488	7	182
Douglas	9	459	5	122
Glenrock	2	29	2	60
Rolling Hills	0	0	0	0
Natrona County Total	32	2,683	11	297
Bar Nunn	0	0	1	74
Casper	26	2,254	5**	173
Evansville	5	419	1	50
Mills	1	10	0	0
Study Area Total	43	3,171	18	479

** Does not include Casper Mountain Parks.

Sources: Wyoming Travel and Tourism, 2010 and 2014; contacts with lodging proprietors.

Mobile Home Parks

Mobile home parks provide both short-term and long-term housing options. **Table 14** provides current estimates of mobile home parks and pads in Converse and Natrona Counties and the primarily affected communities. Total mobile home parks in communities within the Area of Site Influence numbered 35 in 2014, providing a total of 1,504 spaces.

Table 14. Mobile Home Parks within the Area of Site Influence, 2014.

MOBILE HOME PARKS		
	Total Parks	Number of Spaces
Converse County Total	9	524
Douglas	8	524
Glenrock	1	n/a
Rolling Hills	0	0
Natrona County Total	26	980
Bar Nunn	0	0
Casper	24	782
Evansville	2	198
Mills	0	0
Study Area Total	35	1,504

Source: Mobile Home Park Store, 2014.

5.4.2 Temporary Housing Availability and Rates

According to a variety of sources, recent occupancy of motels and RV parks in the PWP I Area of Site Influence has been high, in large part due to the large number of temporary oil and gas workers in the area (Blanton 2014, Kindt 2014, McCreight 2014, Morell 2014, Nerverve 2014, Sonesen 2014, Wyoming Lodging and Restaurant Association 2013).

Occupancy rates are higher in the summer and fall and lower in the winter and spring. Occupancy rates are generally lower in Casper than in Douglas and Glenrock. Casper has an estimated occupancy rate of about 70 percent during the workweek in summer months. Weekend occupancy can be higher due to sporting events and conventions (McCreight 2014).

Motel/hotel room rates quoted in the responses to WWI housing inquiries ranged from \$54.00 to \$99.99/night depending on the type of room and the time of year. Some motels and hotels offer reduced weekly and monthly rates. RV pad rates averaged about \$112.50 per week. Seven hotels, motels, and RV parks indicated a willingness to reserve 180 rooms and 10 RV spaces and offer a preferential rate based on a commitment. Although reserving rooms in any one establishment might mean that that particular establishment would have reduced availability for oil and gas workers and during peak visitor periods and events, the proprietor would be assured higher overall occupancy, particularly in off-peak months, and be less subject to the fluctuations of the market.

5.4.3 Future Housing Demand (Without PWP I)

PWP I demand for temporary housing units would occur primarily during the second through fourth quarters of 2016. Future demand for temporary housing from other sources during that period would depend in large part on the level of oil and gas development occurring at that time, and on the general state of the national economy, which would affect tourism, recreation and event-related travel, and on other construction projects occurring in Converse and Natrona County at that time.

5.4.4 Construction Impacts

The assessment of the effects of the PWP I construction workforce on housing is based on the anticipated peak workforce month, which is expected to occur in July 2016. All other months of construction are anticipated to have lower housing demand.

Construction Workforce Housing Demand

Table 1 displays the construction workforce for PWP I. Although PWP I LLC and its EPC contractor will try to achieve a 15 percent local hire rate, the housing assessment considers the effects of an all non-local construction workforce.

Because of the short duration of construction, the bulk of PWP I construction-related housing demand would likely be for hotel/motel and RV park units. Although a few construction management staff may seek to rent houses, mobile homes, or apartments, it is not clear how many would be able to find rental units for a period of eight months or less in the current housing market.

Based on the assumption that 50 percent of the construction workforce would share a motel room or RV pad, an average of 114 motel rooms/ RV pads and a peak of 143 motel rooms/RV pads would be required during the primary construction period, assuming that the project is able to achieve a 15 percent local hire rate. If no local construction workers are available, the demand for motel rooms and RV pads would increase to an average of 134 and a peak of 168. If only 25 percent of non-local workers shared accommodations, the peak month demand would be for 196 units.

Secondary Housing Demand During Construction

Workers filling the indirect and induced jobs supported by the project would generate additional demands for housing. Although the level of demand cannot be quantified given the available information, the bulk of this demand would be for rental houses, apartments, and mobile homes, and for mobile home and RV pads.

5.4.5 Construction Workforce Housing Program

Although there are 3,171 motel rooms and 479 RV pads in the PWP I Area of Site Influence, occupancy rates are reportedly high. Current and anticipated ongoing demand from oil and gas development and other construction projects is likely to maintain high occupancy rates during the PWP I construction period. Two large hotels are currently (Spring 2014) under construction in Douglas and one in Casper, but to ensure that adequate housing resources were available, WWI contacted area motel/hotel and RV park owners to assess potential availability and room and RV pad rates and willingness of proprietors to accommodate the non-local construction workforce. The survey was conducted by phone and email during the spring of 2014.

Table 15 displays the motel, hotel, and RV park availability information obtained from proprietors who responded to the WWI inquiry in writing and indicated their willingness to commit a block of rooms or RV pads. **Appendix A** provides the proprietors' email responses to the inventory.

Table 15. PWP I Temporary Housing Interest Responses

Motels/Hotels	City	Total Rooms	Offered Rooms
Douglas Inn	Douglas	116	50
Shilo Inn	Casper	101	40
Ramkota Inn	Casper	229	30
La Quinta	Casper	100	30
Candlewood Suites**	Casper	81	30
Motels/Hotels Subtotal			180
RV Parks	City	Total RV Pads	Offered RV Pads
River Bend RV Park	Glenrock	10	10
RV Parks Subtotal			10
Temporary Housing Total			190

** Scheduled to be open at the end of 2014.

Source: WWI temporary housing contacts.

Comparing the offered hotel room and RV pads shown in the table (190 rooms/RV pads) to the project-related demand (a peak demand of 168 rooms/RV pads assuming no local hires and a 50 percent shared occupancy) indicates sufficient housing availability to meet project needs.

Additionally a number of proprietors indicated that they would be willing to accommodate the construction workforce, but could not forecast how many rooms would be available and what the rates would be in 2016. Hotels currently under construction in Casper and Douglas will help increase the local lodging base.

5.4.6 Effects on Local Motel/Hotel and Recreational Vehicle Park and Other Rental Housing Occupancy

The peak demand of 168 housing units—primarily motels and RV pads—would utilize about 4 percent of the 3,650 total existing motel/hotel rooms and RV pads in the recommended Area of Site Influence. Consequently, effects on occupancy rates of these units are likely to be limited though generally beneficial. Although some workers may seek and find short-term house, mobile home, and apartment rentals, these numbers are likely to be limited given the short-term (less than eight months for most workers) nature of each of the project and consequently have a negligible effect on vacancy rates in either county.

Similarly, the maximum secondary demand for 71 units for eight months would be a small percentage of the total rental housing base in the PWP Area of Site Influence. Rental vacancy rates have been low due to ongoing oil and gas development, so in-migrating secondary workers might have difficulty obtaining rental housing.

5.4.7 Operations Impacts

Maximum housing demand during operations, assuming all direct and secondary workers were non-local, would be for 14 units. Although the current housing market might mean that some time would be required before workers were able to accommodate their housing preferences, the PWP I Area of Site Influence housing market should be able to eventually accommodate this relatively small housing demand.

6. Public Facilities and Services

The effects of the PWP I project on public facilities and services would result from the demand created by construction and operations workers and the associated population, and in the case of Converse County, with demand associated with transportation, construction, and operations activities at the project site and along access roads leading to the site.

Section 5.4.5 of the 2011 Socioeconomic Assessment described public facilities and services within the Recommended Area of Site Influence of the PWP I and II projects. Based on the distribution of the workforces of previous Converse County wind energy projects, as reported in the required quarterly monitoring reports, and the size of the PWP I and II projects, the 2011 Socioeconomic Assessment concluded that the effects of those projects on the public facilities and services listed in Section 9 (i)(vi) of the March 16, 2011 Rules and Regulations of the Industrial Siting Council would be minimal. The PWP I project has somewhat higher peak month and average monthly workforces during the seven and one half month primary construction period. However, because the PWP I construction workforce would be moderate in size, relatively short-term, dispersed to a number of communities, and concentrated in in the Casper area, incremental demands on public facilities and services is anticipated to be minimal. Moreover, local governments would receive an increase in sales and use tax revenues and possibly impact assistance payments to help fund service response, if needed, although those revenues are likely to flow later in the construction period.

6.1 PWP I Construction-Related Public Facilities and Services Demand

Table 16 displays the peak-month PWP I construction-related population impact assuming that no direct or secondary workers are local hires, based on the workforce distributions of previous Converse County wind energy projects. With the exception of Glenrock, the PWP I maximum related population impact would be less than 1 percent of 2012 population for each of these communities. The population impact in Glenrock would be 3 percent of 2012 population.

During other months of construction, the population impacts would be less than these estimates. Also, if some local hires are available, if fewer construction workers are accompanied by other household members, or if some of the households contain other workers, the population numbers would be less than these estimates.

Table 16. PWP I Peak-Month Construction Workforce Population-Related Public Facilities and Services Demand

County	Community	PWP I Peak Month Population Increment	Peak Month as Percent of 2010 Population
CONVERSE	Total	98	0.7%
	Glenrock	77	3.0%
	Douglas	21	0.3%
	Rolling Hills	0	0.0%
NATRONA	Total	330	0.4%
	Casper	321	0.6%
	Bar Nunn	0	0.0%
	Evansville	4	0.1%
	Mills	4	0.1%

Although PWP I non-local construction workforce residency patterns may differ somewhat from those shown in **Table 16**, minor to moderate changes in distribution patterns would likely not alter the conclusions of this public facilities and services assessment.

6.2 PWP I Operations Workforce-Related Public Facilities and Services Demand

Under the most conservative assumptions, which yield the maximum population impact, total PWP I operations-related population is anticipated to be 34 persons. Although there are no ISC monitoring data for residency of operations workers, the operations-related direct and secondary workforces and associated households are likely to be concentrated in Glenrock, Douglas, and Casper, and would represent a minor population increment for these communities.

6.3 Demand from Population Growth Unrelated to PWP I Construction and Operations

Section 5.3.2 and **Table 11** describe the forecast population for 2016 for counties and communities within the PWP I Area of Site Influence. The forecasts were prepared in 2011 and do not fully account for the current level of oil and gas activity. Assuming a continuation of oil and gas development in Converse County and elsewhere in northern Wyoming, population growth in counties and communities within the PWP Area of Site Influence is likely to be substantial. The effects of the PWP I-related growth and unrelated growth are discussed under each of the following facilities and services.

6.4 PWP I Effects on Public Facilities and Services

Given that the maximum peak-month construction workforce population impact for all communities within the Area of Site Influence would be less than one percent, except in Glenrock where the impact would be 3 percent, the construction-related incremental demand for services would be minimal. ISC monitoring data has shown wind energy construction projects to be comprised overwhelmingly of single-status workers, so typically a limited range of public facilities and services are affected during construction. During PWP I operations, the total direct and secondary employment-related population would be 34 persons assuming no local hires. Consequently PWP I operations-related effects on public facilities and services would be negligible. Demand from construction and operations of PWP I would contribute to the cumulative incremental demand, which at present is related to oil and gas development.

PWP I contributions to the overall incremental demand during construction would range from minor to moderate and be of relatively short duration. PWP I contributions during operations would be negligible.

6.4 Administrative Facilities

Section 5.4.5.4 of the 2011 Socioeconomic Assessment described administrative facilities within the PWP I Area of Site Influence.

Construction Impacts

The relatively small population increment for any affected community, coupled with the relatively short duration of the population impact, would not result in the need for expansion of any administrative facilities.

Operations Impacts

The operations-related maximum total population impact would be 34 persons, which would likely be distributed to several communities within the PWP I Area of Site Influence. This relatively small population increment would not create demand for additional administrative facilities in any county or community.

6.5 Public Utilities: Water Treatment, Storage and Distribution, Wastewater Collection and Treatment, and Solid Waste Collection and Disposal

All public utilities surveyed in the 2011 Socioeconomic Assessment had capacity to accommodate growth. In most cases, the excess capacity was substantial.

Construction Impacts

The temporary and relatively short-term PWP I construction workforce is likely to reside in motels and RV parks, although a few workers may be able to find rental accommodations in apartments or mobile home parks. Existing motels, RV and mobile home parks, and rental housing units are already served by municipal water and wastewater systems, and the demand associated with those units is factored into current system capacities. Therefore the demand associated with the PWP construction workforce would not result in the need for water or wastewater system expansions, even when added to the current and anticipated population in 2016. Similarly, the Casper regional landfill, which serves all Natrona County municipalities and the Converse County municipalities of Glenrock and Douglas, has more than adequate capacity to accommodate the incremental PWP I demand as well as demand from the anticipated regional population growth.

Table 17. Affected Municipal Water System Capacities, Usage, and Available Capacity.

Municipality	Population Served	Total System Capacity (gpd)	Treated Water Storage Capacity (gpd)	Peak Daily Usage	Available Total Capacity	Available Storage Capacity
Glenrock	2,550	3,500,000	2,050,000	1,700,000	51%	17.00%
Douglas	6,120	5,600,000	6,100,000	3,643,853	35%	40.26%
Casper	56,000 (Regional Water System – 62,000)	39,000,000	26,000,000	29,200,000	25%	0.00%

Gpd = gallons per day Source: WWDC 2013

Operations Impacts

The small incremental population associated with PWP I operations would have a minimal impact on water, wastewater, and solid waste disposal systems within the Area of Site Influence, even when added to anticipated population growth from other sources.

6.6 Law Enforcement Services

Law enforcement services within the recommended Area of Site Influence are provided by the Wyoming Highway Patrol (WHP), the Converse and Natrona County Sheriff’s Departments, and the Douglas, Glenrock, Casper, Evansville, and Mills Police Departments. **Table 18** displays 2012 staffing for county and municipal law enforcement agencies within the PWP I Area of Site Influence.

Table 18. PWP I Area of Site Influence Law Enforcement Personnel per 1,000 Population and Index Crimes per Officer 2012.

County/Agency	EMPLOYEES			Officers per 1,000 Population	Index Crimes per Officer
	Total	Officers	Civilian		
Converse County Total	57	35	22	2.5	11.6
Sheriff	23	14	9	2.7	6.9
Douglas	22	14	8	2.3	19.3
Glenrock	12	7	5	2.7	5.6
Campbell County	145	100	45	2.2	14.9
Sheriff	60	45	15	2.6	5.6
Gillette	85	55	30	1.9	22.4
Wright	n/a	n/a	n/a	n/a	n/a
Natrona County Total	283	165	118	2.2	15.1
Sheriff	59	47	12	3.3	6.1
Casper	197	95	102	1.7	21.6
Evansville	13	11	2	4.3	4.5
Mills	14	12	2	3.4	9.2

Source: Wyoming Office of Attorney General, 2014a and 2014b.

Construction Impacts

Construction of the PWP I has the potential to affect local law enforcement agencies in two areas. First, certain agencies including the WHP, the Converse and Natrona County Sheriff’s Department, and Glenrock and Douglas Police departments could be required to provide traffic management and accident response services to workers commuting to and from the project sites and to vehicles transporting construction materials, equipment, and supplies to the PWP I project site. Traffic management effects would be short-term, occurring primarily during the transport of WTGs and large cranes to the site. Demand for traffic enforcement and accident response services could occur throughout the construction phases of the project, but state and local law enforcement experience with previous Glenrock-area wind energy construction projects has been that that such response has seldom been required (Becker 2010, Price 2010, Sellers 2010, Sweet 2010, Walsh 2010).

The Converse and Natrona County Sheriff departments and the Glenrock, Douglas, Casper, and Evansville police departments could also be required to provide general law enforcement services in conjunction with the temporary residency by non-local workers in those counties and communities. Although all types of law enforcement services could be required, local law enforcement officials cite those frequently associated with construction workforces (alcohol and drug-related offenses and minor disturbances) as most common. Representatives of the Converse County Sheriff's Department, the Casper Police Department, and the Casper District of the Wyoming Highway Patrol also cite failure to register out of state vehicles as an issue on some previous wind energy construction projects (Becker 2010, Price 2010, Walsh 2010). Such registration is legally required when out-of-state workers accept gainful employment within the state. A temporary worker registration permit can be obtained in lieu of full registration, titling, and licensing.

Although construction activity, traffic, and the presence of construction workers in communities would add to law enforcement demand, the relatively small size of the incremental workforce and the short duration of the active construction period would be unlikely to require additional law enforcement staff.

Operations Impacts

PWP I operations and maintenance activities will involve a small workforce (eight workers) and associated commuting to and from the project areas. Occasional maintenance activities will involve small numbers of contractors and vendors from time to time. These activities would be short-term in nature. As noted in Section 5.3.4, the incremental operations-related population is anticipated to be a maximum of 34 people, which would only occur if no qualified local workers were available. The effects of PWP I operations and maintenance activities, workforce, and population on law enforcement agencies within the recommended Area of Site Influence would be minimal.

6.7 Fire Protection and Emergency Response Services

As with law enforcement, certain fire protection and emergency response agencies would potentially provide fire suppression and accident response services on the two project sites; in communities where project employees live; and along transportation routes that would provide access for materials, equipment, and supplies and workforce commuting.

The Converse and Natrona County Emergency Management Agency coordinates emergency response, disaster planning, and Homeland Security activities in Converse and Natrona counties. The Converse County Emergency Management Agency has experienced little demand from previous Glenrock-area wind energy projects (Dalgarn 2010).

Table 19 displays the fire suppression agencies within the PWP I recommended Area of Site Influence, along with information about agency staffing.

Table 19. Fire Protection Agencies within the PWP I Recommended Area of Site Influence.

	Number of Stations	NUMBER OF FIRE FIGHTERS		EMS SERVICES		
		Full / Part Time Paid	Volunteer	EMS Services	Basic EMTs	Advanced EMTs
Converse County						
Converse County Rural Fire Control Association	1	0	105	No	0	0
Dave Johnston Power Plant Fire Brigade	1	0	46	Yes	3	2
Douglas Volunteer Fire Department	1	0	45	Yes	14	2
Glenrock/Converse County Volunteer Fire Department	2	0	40	No	3	0
Converse County Total	5	0	236		20	4
Natrona County						
Bar Nunn Volunteer Fire Department	1	0	24	Yes	11	0
Casper Fire Department	5	76	0	Yes	71	38
Casper Mountain Fire Department	1	0	40	No	0	0
Evansville Fire Department	1	16	34	Yes	21	11
Mills Volunteer Fire Department	1	9	12	Yes	5	11
Natrona County Fire Protection District	2	19	0	Yes	9	9
Natrona County International Airport Fire Department	1	10	0	N	1	0
Salt Creek Emergency Services Stations 16 and 17 (Edgerton)	2	0	21	Yes	12	0
Natrona County Total	14	130	131		130	69
Recommended Area of Site Influence Total	19	130	367		150	73

Source: Wyoming State Fire Marshall, 2014.

Converse County fire protection agencies are exclusively staffed by volunteers. The Natrona County Fire Protection District, Casper Fire Department, and Natrona County International Airport Fire Department have paid staff only. Other Natrona County protection agencies are staffed by a combination of paid staff and volunteers.

The PWP I project site is located within Zone 6 of the Converse County Rural Fire Control Association (CCRFCA). The CCRFCA would provide first response services to fires at the project sites. The Zone 6 fire warden is one of the projects' landowners and lives near the site. There are seven CCRFCA volunteers in the immediate area of the project sites and CCRFCA fire suppression equipment is staged at ranches near the PWP I site.

If needed, backup would be provided by other CCRFCA zones or the Glenrock/Converse County Volunteer Fire Department (G/CCVFD). The G/CCVFD would also respond to fires and emergencies on portions of the Mormon Canyon and Box Elder Road access routes to the project. The Douglas Volunteer Fire Department and the CCRFCA would respond to emergencies on the Sunflower Trail/Cold Springs/Windy Ridge access route.

Ambulance response for medical emergencies occurring on the PWP I project site and along access routes would be provided by Memorial Hospital of Converse County's Ambulance Service.

In the event of serious injuries on the PWP I project site or along the access routes, the injured may be air evacuated via helicopter using Life Flight dispatched from the Wyoming Medical Center in Casper.

Construction Impacts

Fire suppression and emergency response services would be provided on an as-needed basis during the construction period. It is important to note that the PWP I EPC contractor will prepare a site-specific safety plan for the project. Portable fire extinguishers will be located on all equipment, trailers, and fueling stations. All EPC employees will have Red Cross first aid training and each major subcontractor will be required to have at least two first aid trained employees. The EPC and all subcontractors working on elevated WTGs will have a rescue plan and workers trained in high-angle, confined space rescue. The latter should eliminate the need for either fire suppression agencies or hospital ambulance staff to ascend towers to rescue and treat injured persons.

Also, as noted in Section 7.1.6 of the 2011 PWP Application, PWP I, LLC intends to cooperate with the affected law enforcement, fire suppression, and emergency response agencies to prepare a mutually agreed-upon Emergency Response Plan for construction and operation of PWP I. PWP I, LLC has already provided wind-energy specific emergency response training for local fire districts.

The experience with other Converse County wind energy projects has been that few emergencies required response from either local fire suppression agencies or emergency medical and ambulance providers. While unforeseen emergencies can arise during any construction project, the combination of EPC contractor fire suppression and emergency management response capabilities; the preparation and implementation of an Emergency Response Plan; and current capabilities of local emergency management, fire suppression, and emergency medical service agencies coupled with the relatively small size and duration of both projects should allow emergency response incidents to be addressed within the existing capabilities of the affected agencies.

Operations Impacts

The small size of the workforce and type of on-site activity associated with operation and maintenance of the project would correspondingly result in limited potential for commuting and industrial accidents. Consequently, the effects of PWP I operations and maintenance activities on fire suppression and emergency response agencies within the recommended Area of Site Influence are likely to be minimal.

6.8 Health and Hospital Care Facilities and Services

Two hospitals and one general health care facility are located within the recommended Area of Site Influence of PWP I and have the potential to be directly affected:

- The Glenrock Hospital District's Glenrock Clinic,
- Memorial Hospital of Converse County located in Douglas, and,
- Wyoming Medical Center located in Casper.

Other specialized medical clinics and practices located in Casper and Douglas may see some workers employed by the project, but the demands would be temporary and would not support changes in staffing or services provided.

Construction Impacts

Locally hired construction workers are likely to be already using health care services within the Recommended Area of Site Influence and would therefore not generate incremental demand for health care services. Given that non-local PWP I construction employees will be in the area temporarily, most for seven and one-half months or less, most employees will only seek emergency and urgent health care while employed on the project. Construction employees are likely to seek routine health care services from their own physicians in their hometowns.

Because non-local construction workers would not have relationships with physicians in Converse and Natrona counties, they are more likely to use hospital emergency rooms for urgent but non-emergency needs. The presence of the Glenrock Clinic and several urgent health care facilities in Casper is likely to reduce non-local construction worker use of emergency rooms for non-emergencies. The PWP I construction management contractor will provide health insurance for its employees and many subcontractors will also provide health care insurance.

Given that the non-local construction worker peak would be an estimated 224 workers assuming that no qualified local workers are available, and those workers would likely reside in several hospital and clinic service areas, non-local construction worker demand for health care services should not be a burden for the health care facilities within the Recommended Area of Site Influence.

Operations Impacts

An estimated maximum incremental population of 34 people would be associated PWP I operations. This would be a small fraction of existing and forecast populations through 2015 for any community within the recommended Area of Site Influence and would therefore not result in an undue burden for health care services and facilities.

6.9 Human Services

The Wyoming Department of Family Services offers human services in four main program areas: Public Assistance (nutrition support and home heating help), Child Support Enforcement, Juvenile Services, and Protective Services. DFS offices are located in Glenrock, Douglas, and Casper; the Glenrock office is staffed on a regularly scheduled basis from the Douglas office.

Previous wind energy construction projects have not generated increases in DFS family services caseloads (Byer 2010, Maidl 2010). Most non-local wind project construction workers are in the area for a brief period and do not bring family members with them. Because non-local wind energy construction workers are working while in the project area, they typically do not qualify for public assistance, although it is not discernable from public assistance records if non-local construction workers have applied for public assistance after construction projects are completed (Fitzler 2010).

Construction Impacts

Given the relatively brief construction period for PWP I, it is unlikely that construction workers will be accompanied by family members and because they will be working, they will not require public

assistance. Therefore, PWP I construction workers will be unlikely to generate increased service levels for human service agencies within the recommended Area of Site Influence.

The maximum secondary employment-related peak-month population of 172 persons would be distributed across both counties and be unlikely to appreciably add to DFS caseloads during the eight-month active construction period.

Operations Impacts

Given the relatively small incremental population associated with operations and maintenance of PWP I, increases in demand for human services within the recommended Area of Site Influence would likely be negligible.

6.10 Community and Urban Outdoor Recreation

Each of the communities likely to host a portion of the non-local construction workforce offers community and outdoor recreation resources. Those resources were described in Section 5.4.5.12 of the 2011 Socioeconomic Assessment.

Construction Impacts

Impacts of construction activities and populations on community and urban outdoor recreation resources within the recommended Area of Site Influence would include the use of community parks and recreation facilities by construction workers.

The relatively small and short-term construction workforce would likely have little effect on community parks and recreation facilities. The peak-month workforce would be a small fraction of the current and anticipated population for any affected community; consequently effects on park and recreation center use by construction workers would be negligible.

Operations Impacts

The PWP I operations-related incremental population of 34 people would have little effect on community parks and recreation centers.

6.11 Educational Facilities

There are three public school districts serving the recommended Area of Site Influence: Converse County School District #1 includes Douglas and the eastern part of Converse County, Converse County School District #2 includes Glenrock and the western part of Converse County and Natrona County School District #1 includes all of Natrona County. The project would be located in Converse County School District #2. Section 5.4.5.13 of the 2011 Socioeconomic Assessment described educational resources within the three districts.

Construction Impacts

Non-local construction workers on previous Glenrock-area wind projects have rarely been accompanied by school-age children. Previous projects have generated from one to four new students during peak construction quarters. Any incoming PWP I construction-related students would likely be spread over several districts, schools, and grades; even if they all attended one school, the relatively few students

anticipated to be associated with the project's construction workforce would likely have minimal effect on local educational facilities and staffing levels.

Operations Impacts

The non-local portion of the PWP I operations and maintenance workforce, which is estimated to be from six to eight workers, and the six secondary workers would be accompanied by an estimated 12 to 14 school-age children, based on students per household ratios. Spread across three school districts, this level of enrollment is unlikely to strain any district's capacities.

7. Transition from Construction to Operations

The anticipated construction workforce for PWP I would be relatively small and short-term. Most non-local workers would likely be housed in temporary housing accommodations such as motels and RV parks. Local governments would not be required to add staff or services or expand facilities or otherwise change their service levels to accommodate either the construction or operations workforces for the project. Therefore, no problems associated with the transition from a temporary workforce to the relatively small operating workforce would be anticipated.

8. Cumulative Workforce Estimates

Ongoing and anticipated future oil and gas drilling and field and ancillary facility development are the primary cumulative industrial activities likely to occur during the 2015 – 2016 PWP I construction period. Although the Bureau of Land Management is beginning to assess the environmental and socioeconomic impacts of drilling an additional 5,000 wells in Converse County over the next 10 years (BLM 2014), workforce estimates for ongoing and future oil and gas field and ancillary facility development are not yet available. As noted in **Section 5.2.1**, the effects of oil and gas development on local labor availability and community population are already occurring in the Converse and Natrona Counties. The workforce and associated population have absorbed much of the temporary and conventional housing, and increased demand for public facilities and services. Construction and operations of the PWP I project will add to the ongoing employment, population, housing, and public facility and service demand effects that are occurring in the region. However, PWP I's contribution to those effects during construction will be relatively moderate and short-term. PWP I operations-related contributions to cumulative effects would be minimal.

9. FISCAL ANALYSIS

9.1 Existing Governmental Revenues and Finances

This section addresses major local government revenue sources that would be affected by construction and operation of PWP I. The discussion highlights key changes in those revenue sources that have occurred in recent years in response to an increase in the regional economy, most of which has been driven by energy resource development. The section also includes updated projections of revenues that would be associated with development of the project.

9.1.1 Ad Valorem/Property Taxes

Ad valorem taxes, commonly known as property taxes, are derived from assessments on real and personal property. Such taxes are major sources of revenue for local governments and school districts. The state does not impose an ad valorem tax.

Ad valorem taxes levied on individual properties reflect the taxable value assessed on the property and the tax rates assessed by local entities with taxing jurisdiction in which the property is located. Wind energy facilities are classified as industrial property, which is assessed at 11.5 percent of the base value. Taxable property in Wyoming is subject to taxes from the county (general fund), local school district, and levies mandated to support public education under the Wyoming School Foundation program. Additional ad valorem tax levies may be imposed for other purposes, such as support for a local municipal government, a hospital district, or other special districts.

The total assessed valuation of Converse and Natrona counties has increased dramatically in recent years, much more rapidly than has occurred on a statewide basis (**Table 20 and Figure 5**). Total assessed value for Converse County topped \$1 billion for the first time in 2012, and approached \$1.2 billion in 2013. That level of valuation represents an increase of more than \$700 million and 156 percent over the 2006 value. Natrona County’s aggregate valuation in 2013 was of comparable magnitude, \$1.26 billion. However, that valuation represented an increase of 33 percent compared to the \$944 million in 2006. At the statewide level, the net change in total assessed valuation between 2006 and 2013 was 9 percent, following a \$2.5 billion decline between 2012 and 2013. The decline was largely attributable to declining value of natural-gas production in Sublette, Johnson, and Sweetwater counties, and lower values for coal production in Campbell County. The more recent decline followed a net decline of nearly \$8 billion, or 20 percent, in statewide valuation from 2009 to 2010.

Table 20. Total Assessed Valuation, 2006 to 2013.

Year	Converse County	Natrona County	Wyoming
2006	\$ 457,386,031	\$ 944,105,934	\$ 20,978,659,770
2007	\$05,773,517	1,033,439,288	21,491,267,436
2008	\$83,725,972	1,058,629,455	21,898,331,198
2009	\$94,930,400	1,287,928,434	29,219,539,369
2010	\$93,427,047	1,034,571,958	21,316,466,990
2011	\$51,310,494	1,176,173,158	24,339,700,232
2012	1,033,112,636	1,250,008,047	25,242,644,578
2013	1,168,956,285	1,255,227,453	22,797,094,335
Net Change	+156%	+33%	+9%

Source: Wyoming Dept. of Revenue and Wyoming Dept. of Equalization, 2013.

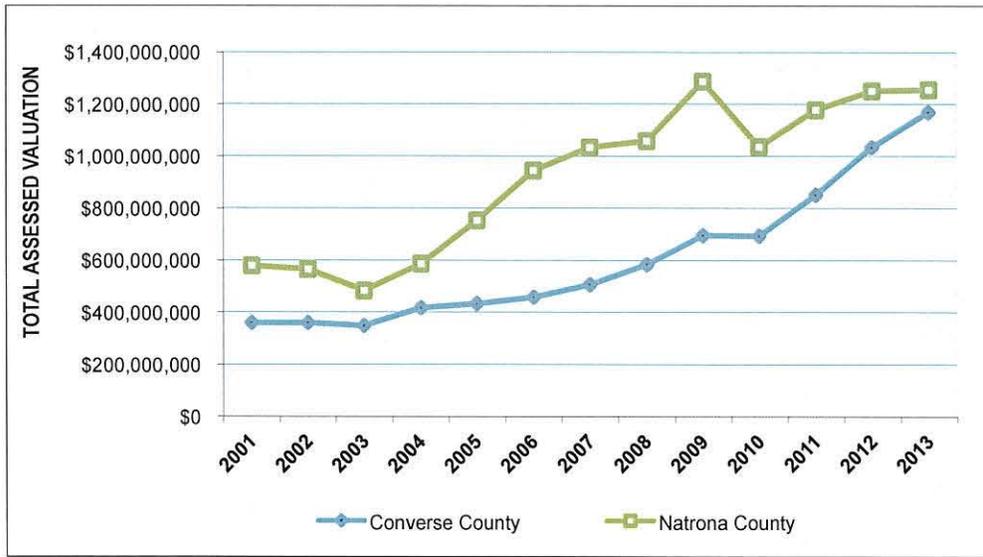


Figure 5. Total Assessed Valuation of Converse and Natrona Counties, 2001 - 2013.

Source: Wyoming Department of Revenue, 2014.

Increases in mineral production in Converse County are primarily responsible for a further increase of \$475.5 million (> 68 percent) between 2010 and 2013 (Table 21). Total assessed valuation also increased for Natrona County and statewide, but by a much lower level of change.

Table 21. Assessed Valuation by Type of Property, Converse County, 2010 and 2013

Locally Assessed	2010	2013	CHANGE 2010 to 2013	
			Absolute	Percent
Agricultural Land	\$ 10,658,980	\$ 12,862,412	\$ 2,203,432	0.5%
Commercial Land, Improvements and Personal Property	18,187,672	24,284,177	6,096,505	1.3%
Residential Land, Improvements and Personal Property	78,593,267	87,716,324	9,123,057	1.9%
Industrial Property	70,753,113	89,792,891	19,039,778	4.0%
Centrally Assessed				
Non Minerals (Utilities, Railroads, and Airlines)	\$ 143,388,394	\$ 180,617,568	\$ 37,229,174	7.8%
Minerals	371,845,621	773,682,913	401,837,292	84.5%
Total	\$ 693,427,047	\$1,168,956,285	\$ 475,529,238	100.0%

Source: Wyoming State Board of Equalization, 2010a and 2013xx.

Minerals and centrally appraised utilities accounted for more than 81 percent of the total assessed valuation in Converse County in 2013, among the highest concentrations in the state. Residential property accounts for 7.5 percent of the county’s valuation (Table 21 and Figure 6). By comparison, residential property is the single largest contributor to assessed valuation in Natrona County, with 37 percent.

Minerals and residential property are the two largest categories at the statewide level, with 59.2 percent and 18.8 percent, respectively.

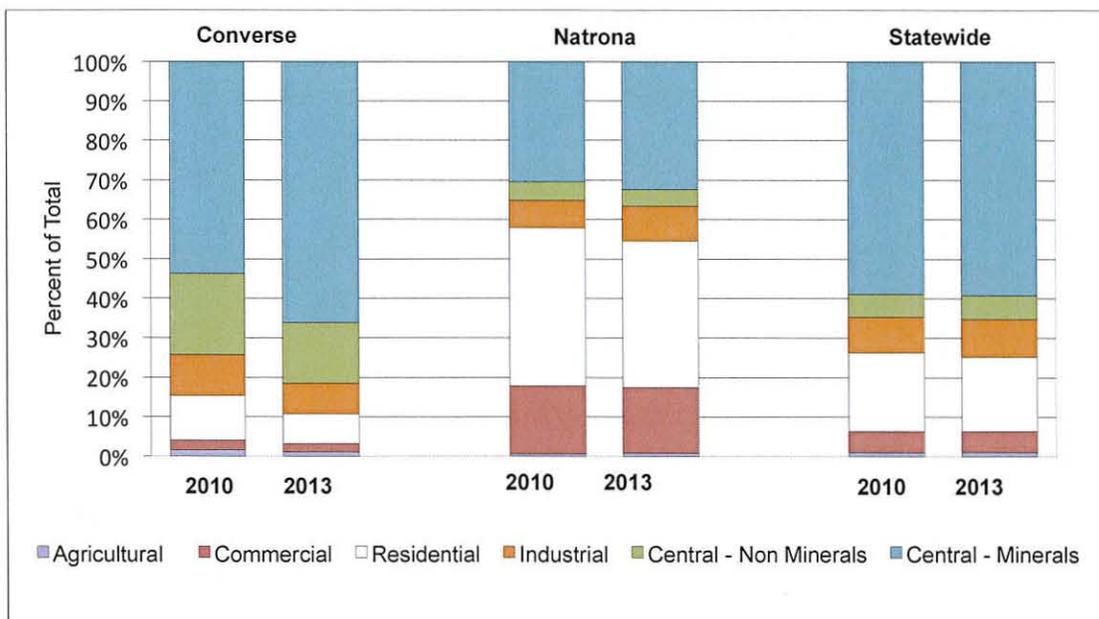


Figure 6. Composition of Assessed Valuation in the Study Area and Statewide, 2010 and 2013.

Source: Wyoming Department of Revenue, 2014.

The increases in taxable valuation have been accompanied by corollary increases on countywide tax receipts (Table 22). Annual property tax revenues in Converse County increased more than \$8.6 million, to \$14.0 million between 2006 and 2013. The net increase in Natrona County during the same period was \$5.3 million. Together the two counties accounted for nearly 40 percent of the total net statewide change of \$36.7 million as Fremont, Hot Springs, Johnson, Teton, and Uinta counties all experienced net decreases in annual receipts.

Table 22. Ad Valorem Tax Receipts, Counties and Countywide Special Districts, 2006 and 2013.

	Converse County	Natrona County	Wyoming
2006	\$ 5,378,270	\$ 9,793,590	\$ 228,241,055
2013	14,027,475	15,062,729	264,971,680
Net Change	\$ 8,649,205	\$ 5,269,139	\$ 36,730,625
Percent Change	+161%	+54%	+16%

Sources: Wyoming Taxpayers Association, 2006 and Wyoming Dept. of Equalization, 2013.

9.1.2 Sales, Use and Lodging Tax

Sales and use taxes are another important revenue source for the state and for local governments. The state levies a 4 percent sales and a 4 percent use tax, the latter imposed on purchases made outside of the state for use in Wyoming. Revenues generated by these taxes are allocated to the state’s general fund (69 percent), with the remainder (less a 1-percent administrative fee) distributed to local governments.

Converse and Natrona each impose a 1 percent general-purpose and 3 percent lodging tax (Table 23). Converse County also levies a 1 percent specific-purpose tax, enacted in 2012. Proceeds of that tax are funding the construction of new libraries in Glenrock and Douglas and improvements at the Douglas campus of the Eastern Wyoming College.

Table 23. Sales, Use and Lodging Tax Rates for 2013.

County	State Tax Rate	LOCAL TAX RATE		Total Sales and Use Tax Rate	Lodging Tax Rate	Total Tax Rate for Lodging
		General Purpose	Specific Purpose			
Converse	4 %	1 %	1 %	6 %	3 %	9 %
Natrona	4 %	1 %	No	5 %	3 %	8 %

Note: Sales and lodging taxes on short-term rentals, e.g., motels, only apply to rentals of less than 30 days.

Source: Wyoming Department of Revenue, 2013.

Sales and use tax collections in Converse and Natrona counties, along with statewide collections for fiscal years 2009 through 2013 are presented in Table 24, and the relative changes in sales tax receipts since 2006 illustrated in Figure 7. The two trends apparent in the information are the expansion of economic activity in Converse County and the economic recovery in Natrona County and statewide since 2010. Converse County had accounted for about 2.2 percent of the statewide total sales and use tax receipts between 2001 and 2006. In 2013 the share stood at 6.7 percent, triple the historical average.

Table 24. Sales and Use Tax Collections (Fiscal Years 2009-2013).

Tax Type / Location	2009	2010	2011	2012	2013
Sales Tax					
Converse County	\$ 23,819,787	\$ 18,268,908	\$ 24,228,132	\$ 37,408,008	\$ 54,146,740
Natrona County	102,415,653	82,113,512	90,189,323	104,566,888	112,092,484
State of Wyoming	863,512,486	694,855,847	748,364,960	857,780,696	821,835,699
Use Tax					
Converse County	\$ 3,072,352	\$ 2,605,236	\$ 2,617,799	\$ 2,289,055	\$ 7,090,625
Natrona County	9,750,220	5,956,099	9,203,038	7,362,397	15,392,827
State of Wyoming	118,196,963	87,147,717	105,223,085	112,184,724	104,163,194

Source: Wyoming Department of Administration and Information, 2010a and 2013.

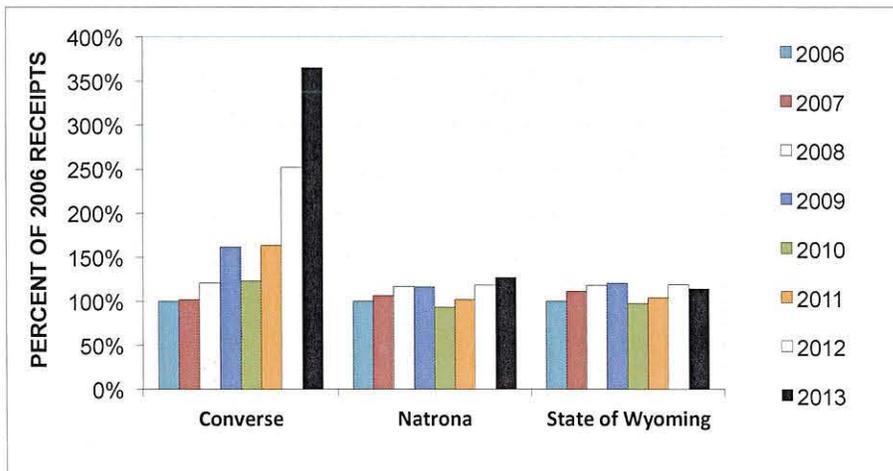


Figure 7. Relative Change in Sales Tax Collections, Converse and Natrona Counties, and Statewide, 2006-2013.

Source: Wyoming Department of Administration and Information, 2014a

Converse and Natrona counties each impose a 3 percent tax on short-term lodging. The tax applies to stays in hotels, motels, RV parks, and private campgrounds of less than 30 days in length. Changes in tax receipts over time may reflect trends in tourism, business travel, local energy development and industrial construction, and changes in rates. Proceeds from this tax primarily support tourism and travel promotion.

Annual lodging tax receipts for the past five fiscal years, illustrating a similar growth pattern as that described above with respect to sales and use taxes, are presented in **Table 25**. Lodging tax revenues declined from 2009 to 2010, but have since risen sharply. In Converse County, lodging tax receipts of \$293,143 represented a gain of 88 percent compared to 2010. Natrona County realized a 37 percent gain during the same period. Statewide gains during the period topped \$6.2 million, or 84 percent. Lodging tax receipts in Teton County accounted for more than two-thirds of the statewide gain, after the county reinstated a 2 percent lodging tax following a 15-year suspension. The vast majority of collections in Converse County emanated from Douglas, reflecting the concentration of lodging accommodations in the community. The majority of lodging tax revenues in Natrona County were derived from accommodations located in Casper.

Table 25. Lodging Tax Collections (Fiscal Years 2009-2013).

County/Community	2009	2010	2011	2012	2013
Converse County	\$ 204,533	\$ 155,361	\$ 166,694	\$ 273,349	\$ 293,143
Natrona County	1,172,819	943,285	1,005,051	1,204,887	1,288,626
State of Wyoming	8,050,481	7,426,857	8,174,127	13,358,561	13,649,585

Source: Wyoming Department of Administration and Information, 2014a.

9.2 Projected PWP I Tax Revenues

The initial capital investment in facilities and equipment, the depreciated value of that investment over time, purchases of other goods and services by PWP I, LLC, its contractors, and households supported by the project would generate a series of one-time and recurrent tax revenues for the state and local

governments. The project is not located on Federal lands. Consequently, Federal revenues are not estimated as part of this analysis.

The major revenue sources associated with PWP I would include local ad valorem (property) taxes on the value of the WTGs and ancillary facilities, state and local sales and use taxes on the purchases of WTGs and other taxable equipment and supplies, and wind energy production taxes. Converse and Natrona counties would realize temporary increases in lodging taxes associated with the seasonal influx of temporary workers during the construction period, although lodging tax receipts would be moderated by workers who rent rooms for longer than 30 days because lodging taxes are not levied on those longer stays.

9.2.1 Ad Valorem/Property Taxes

Ad valorem/property taxes would accrue to Converse County and the other taxing entities in which PWP I would be located. Countywide levies include the county general fund, airport, library, hospital, health care, and parks and recreation funds. Levies for public education would include the state foundation program, mandatory county school levies, Board of Cooperative Education Services, and the debt service levies for Converse County School District #2. Special service districts that would benefit from property tax receipts include the Weed and Pest district, and the Glenrock Solid Waste District.

Project development costs of PWP I are estimated at approximately \$124.5 million. This compares to projected costs of \$168.5 million of the two projects in the original application. The total cost includes the costs of the WTGs, the system interconnect, substation, and other equipment and materials, construction and erection labor and management services, off-site access improvement costs, sales and use taxes, and initial landowner lease costs.

PWP I would be located in tax district 200 in Converse County. Public entities with ad valorem taxing authority in tax district 200 include Converse County, Converse County School District #2, and two special service districts. The combined overlapping tax levies in tax district 200 total 60.48 mills, the majority of which support public education (**Table 26**). In addition to locally generated revenues, the school district receives statewide education equalization funding.

Table 26. Ad Valorem Tax Levies for Tax District 200 in Converse County, 2013.

County General Fund and Dedicated Purpose	Tax Levy (Mills)	Percent of Total	Combined Total
County General Fund	9.147	15.1%	
County Airport	0.529	0.9%	
County Library	0.983	1.6%	19.8%
County Hospital	1.091	1.8%	
County Health	0.115	0.2%	
Parks & Recreation	0.135	0.2%	
Public Education			
Wyoming State Foundation	12.000	19.8%	
County Wide School	6.000	9.9%	
Mandated Local School	25.000	41.3%	73.2%
Additional Operating Supplement	0.250	0.4%	
Recreation - Schools	1.000	1.7%	
Special Service Districts			
Weed & Pest	1.230	2.0%	7.0%
Glenrock Solid Waste	3.000	5.0%	
Total Mill Levy	60.48	100.0%	

Source: Wyoming Department of Equalization 2013.

For ad valorem tax purposes, PWP I would be initially assessed at 11.5 percent of installed cost and net value of land leases, less the value of the interconnect system that would be transferred to PacifiCorp; an assessed value of approximately \$14.2 million. After the facility begins production, the project's assessed value is expected to decline over time; future assessments would factor in depreciation, replacement cost, capitalized value of income, and the prices of any comparable sales. For this analysis total assessed value in year 20 is projected to be \$4.6 million.

Applying the current tax rate to the initial assessed value yields estimated first-year ad valorem taxes of approximately \$856,000. Over the first ten years of operation, projected ad valorem taxes from the project would total \$7.3 million, based on current tax rates. Of the total, an estimated 15.1 percent would accrue to the Converse County general fund, 4.7 percent to other county purposes, 73.2 percent to support public education, and 7.0 percent to other special districts. Through the first 20 years of operations, the project's projected ad valorem taxes to be paid on the project total \$11.5 million. Of the total, approximately \$2.3 million would accrue to the Converse County general fund or designated countywide special purpose funds. Ad valorem/property taxes would continue over the life of the project, effectively ceasing following decommissioning and reclamation.

Neither the City of Douglas nor the Town of Glenrock would benefit directly in terms of ad valorem taxes generated by the project, but both would realize indirect benefits based on project-related support of local businesses and public sector spending that in turn supports local residential and commercial development that is part of the tax bases of those communities.

9.2.2 Sales, Use and Lodging Taxes

Construction-related Sales, Use and Lodging Taxes

At the time of the 2011 Socioeconomic Assessment, capital equipment and related materials and supplies used in the construction of renewable energy projects, including wind energy, were eligible for exemption from state and local sales and use taxes, provided that the land leases were signed by December 31, 2009 and equipment for use on qualifying projects was purchased and delivered in Wyoming prior to December 31, 2011. Based on the anticipated development schedule, approximately \$66.61 million of the project development cost was assumed to be subject to sales and use tax.

For PWP I, projected purchases subject to sales and use taxes total \$103.4 million. State sales and use taxes on those purchases would yield revenue of \$4.14 million, the majority of which would accrue in the third quarter of 2016 in conjunction with the purchase and delivery of the WTGs and equipment for the transmission line and substation (Table 27). Of the sales and use tax proceeds initially accruing to the state, 69 percent is subsequently allocated to the general fund. The remainder, less a one percent administrative fee, would be distributed among local governments with a portion returned to Converse County and local municipal governments.

Table 27. Projected Sales and Use Tax Revenues Directly Related to PWP I.

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Total
Amount subject to tax (millions)	Limited	Limited	--	\$8.8	\$89.6	\$5.0	\$103.4
State Tax	Limited	Limited	--	\$ 352,000	\$ 3,584,000	\$ 200,000	\$4,136,000
Local General Purpose Tax	Limited	Limited	--	88,000	896,000	50,000	1,034,000
Local Option Tax	Limited	Limited	--	88,000	896,000	50,000	1,034,000
Total State and Local Sales and Use Tax	Limited	Limited	--	\$528,000	\$5,376,000	\$300,000	\$6,204,000

Local sales and use taxes on the capital purchases are projected at \$2.07 million, one half of which would be general-purpose tax to support the general fund, the remainder being the local option tax to support library construction and improvements at the Douglas campus of the Eastern Wyoming Community College.

Consumer purchases of taxable goods and services by non-local workers in the influence area would generate additional sales taxes to both the state and to local counties. A reasonable order of magnitude estimate of such revenues, assuming \$30 in daily taxable expenditures per non-local worker day, would be approximately \$40,000.

Construction of the project would also support additional local sales and use tax receipts indirectly through the “multiplier” effect on local incomes, consumer expenditures, and circulation of tax revenues by government agencies. However, such revenues are not estimated as part of this analysis.

Converse and Natrona County would also realize lodging tax receipts derived from their respective 3 percent tax levied on short-term lodging expenditures by non-local workers during the construction

period. The sum and distribution of such tax revenues would depend on: (1) the number of non-local workers hired, (2) choices by those workers regarding location and type of accommodations, (3) the average nightly rates paid, (4) the extent to which non-local workers share accommodations, and (5) the number of rentals of longer than 30 days which are exempt from lodging tax. Based on the projected number of construction workers and allowances for 15 percent local hiring, housing preferences, nightly rates for RV spaces and motel rooms, and a 40 percent deduction for lodging tax exemption on rentals longer than 30 days, construction of the project would generate just over \$1.5 million in revenues for the local lodging industry, yielding lodging tax receipts of approximately \$45,600. More than 95 percent of the total would accrue during the primary construction period, i.e., during the second calendar year of construction. Projected quarterly lodging expenditures and tax accruals are shown in **Table 28**.

Table 28. Projected Lodging Tax Revenues Associated with PWP I Construction

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Total
Est. Lodging Expenditures	\$ 19,000	\$ 40,000	\$ 24,000	\$ 443,000	\$ 550,000	\$ 446,000	\$1,503,000
Est. Lodging Tax Receipts**	570	1,200	720	13,290	16,500	13,380	45,660

** Based on average nightly housing costs of \$50 per worker and 20 nights per month.

Source: BCLLC and SDLLC, 2014

Operations-Related Sales Use and Lodging Taxes

State and local sales and use taxes would be generated over the life of the project from taxable purchases directly associated with ongoing operations and maintenance of the project, as well as by consumer purchases by its workers and service vendors. Such revenues would be substantially lower on an annual basis than those associated with construction, but would continue over the life of the project.

9.2.3 Wind Production Taxes

In 2010, Wyoming enacted a wind energy production tax. The tax is a \$1.00 per megawatt-hour of electricity produced annually by a commercial wind project. The statutes (W.S. 39-22-101 *et seq.*) provide a three-year exemption from the date of initial production. Under the current plan of development, initial commercial production would begin in late 2016. Given the three-year exemption, full-scale taxable production would begin in early 2019. Projected annual energy production is a function of generating capacity, efficiency, and actual wind conditions. Given wind conditions in the project area, PWP I, LLC foresees long-term average capacity factor of 38 percent, or approximately 283,000 MWh/year, which would yield \$283,000 per year in wind energy production taxes (**Table 29**). Forty (40) percent of the revenues generated by this tax would accrue to the state’s general fund, with 60 percent to be distributed to Converse County due to the facility’s location.

Table 29. PWP I Wind Production Taxes Generated, Annually At Full Production and Over the First 10 Years of Production.

	Annual Revenue at Full Production (38 percent of rated capacity)	Total Wind Production Tax during first 10 years of Production	Total Wind Production Tax during 20-year life of project
State General Fund	\$ 113,200	\$ 793,240	\$ 1,926,000
Local Government Distribution	169,800	1,189,860	2,889,660
Total	\$ 283,000	\$1,983,100	\$ 4,816,100

Annual receipts accruing to the state general fund through the first ten years of production, assuming full production and the three-year exemption, would total an estimated \$793,240. Revenues accruing to the local government distribution fund would total \$1,189,860, based on the same production assumptions.

Wind production taxes would continue over the life of the project, fluctuating on a year-to-year basis in response to the amount of power produced. Total estimated wind production taxes over 20 years would be \$4.82 million.

9.2.4 Revenue Summary

The major public sector revenues projected in conjunction with the project are summarized in **Table 30**. Local governments and other public entities would realize increases in other charges for services, fees, and other taxes given the implementation of the PWP project. Such revenues would be substantially lower in magnitude than those identified above, but they would still be important to the specific entity involved.

Table 30. Summary of Major Public Sector Revenues Generated by PWP I

Revenue Source	Projected Revenue	Revenues Distributed to:
Local ad valorem/property tax (including mandatory state levies)	~ \$11.5 million over 20-year life of the project	County, local and statewide public education, special service districts Glenrock, Douglas, and Casper benefit indirectly
Sales and use tax	\$6.2 million during construction More limited ongoing revenue during O&M	State general fund and local government, primarily Converse County, Douglas and Glenrock
Lodging Taxes	~ \$46,660 during construction	Converse and Natrona counties
Wind energy production tax	~ \$283,000/year at full production ~ \$1.98 million over 10 yrs. ~ \$4.82 million over 20 yrs.	State general fund and Converse County

9.2.5 Industrial Siting Impact Assistance Funds

Counties and local communities affected by the development of industrial facilities subject to Industrial Siting permit review and issuance may also qualify to receive impact assistance funds. A county (along with the designated Primarily Affected cities and towns in that county) within which the majority of construction costs are incurred by a project is automatically eligible to receive such funds, when such funds are forthcoming under Wyoming statutes. Adjoining counties and communities that are likely to experience significant social and economic impacts from construction of a facility and that have not been designated as primarily affected may request a determination of eligibility to receive such funds. Impact

assistance funds are generated when the construction of a project results in an increase in expected sales and use tax receipts beyond the revenues that would have been expected absent construction of the project. The increase in revenues generated by the local general-purpose and special-purpose option tax, if applicable, are then subject to match with additional monies from the state’s share of sales and use taxes that would have been deposited to the General Fund. Such distributions are in addition to any other distributions of sales and use taxes to the county and cities and towns. The percentage shares of impact assistance distributions to the eligible local governments are established by the ISC during a public hearing held under W.S. 35-12-110.

The total distributions of impact assistance over time reflect the number and cost of projects built that are subject to ISC permitting. Impact assistance funds totaling nearly \$36.1 million have been distributed over the past seven fiscal years, varying from \$0 in fiscal year 2012 to \$16.3 million in fiscal year 2009. The latter was largely attributable to construction of Basin Electric’s Dry Fork generating station near Gillette. Approximately 20 percent of the total impact assistance funding was derived from increased use tax receipts, and the remainder on increases in sales taxes.

Campbell and Crook counties have received the bulk of the total impact assistance funds over the past seven years, based on the overall level of industrial construction subject to ISA jurisdiction that occurred in the Powder River Basin (**Table 31**). Converse County has received more than \$1.9 million based primarily on wind energy development.

Table 31. Total Impact Assistance Funds Distribution, Fiscal Years 2007 thru 2013.

County/Community	Sales Tax	Use Tax	Total
Albany County	\$ 216,768.23	\$ 10,310.04	\$ 227,078.27
Campbell County	19,027,734.34	5,708,169.99	24,735,904.33
Carbon County	1,228,090.00	88,354.36	1,316,444.36
Converse County	1,719,989.41	223,480.50	1,943,469.91
Crook County	4,178,182.01	1,097,014.36	5,275,196.37
Johnson County	170,200.38	73,191.03	243,391.41
Natrona County	243,283.03	15,445.96	258,728.99
Sheridan County	185,000.37	79,555.45	264,555.82
Sweetwater County	0.00	65,364.45	65,364.45
Weston County	1,301,330.67	347,670.53	1,649,001.20
Town of Douglas	65,297.61	13,329.49	78,627.10
Town of Moorcroft	26,119.04	5,531.80	31,650.84
Total	\$ 28,361,995.09	\$ 7,727,417.96	\$ 36,089,413.05

Source: Wyoming Department of Revenue, 2010 and 2013. Annual Reports.

Estimated Impact Assistance Payments from the Proposed Project

Construction of PWP may result in the generation of impact assistance payments (IAPs) to primarily affected units of local government. Estimates of potential IAPs requires assumptions regarding the sales and use tax receipts in the 12-month period preceding the onset of construction, prevailing general economic conditions at that time, and the relative contribution that the project would make to statewide receipts of sales and use taxes. The latter affects the distribution of sales and use taxes made to local governments of approximately 30 percent of the total statewide receipts generated by the state’s four percent sales and use tax levy.

Monthly collections on economic activity in Converse County from the state’s sales and use tax levies have risen substantially in recent years due to the increases in oil and gas exploration and development activity and new industrial development in the county. Such receipts were typically in the \$400,000 to \$500,000 per month range in 2010, but more recently have typically been between \$1,200,000 and \$1,400,000. For the 12-month period April 2013 to March 2014, the most recent available, such receipts averaged \$1,297,104 (Figure 8).

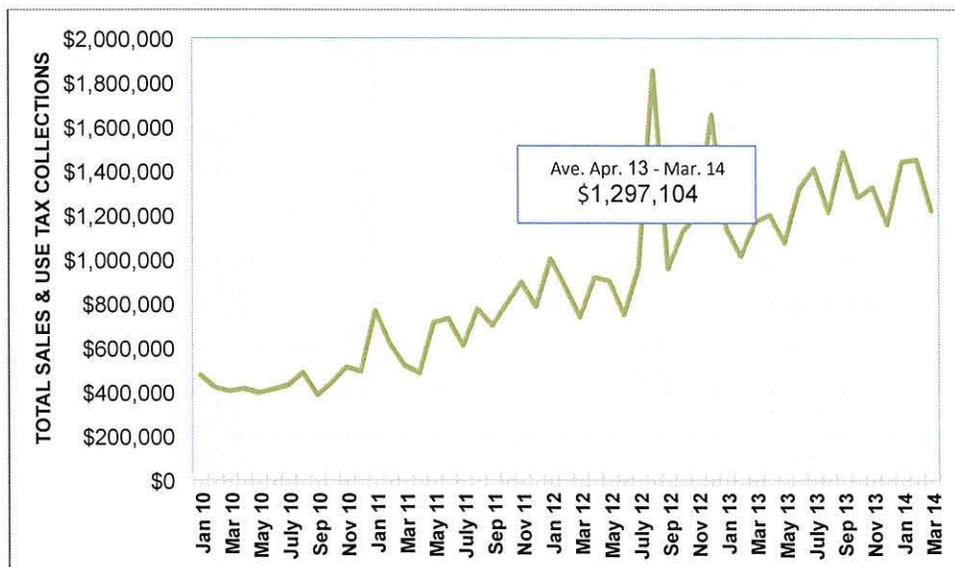


Figure 8. Monthly Collections of State Sales and Use Taxes from Converse County, January 2010 to March 2014.

Source: Wyoming Department of Environmental Quality, Industrial Siting Division, 2014.

Given the recent upswing in energy resource development and the sales and use taxes generated during the base period, it is unclear whether Impact Assistance Payments would be forthcoming based on PWP I-related purchases.

10. SOCIOECONOMIC ASSESSMENT CONCLUSIONS

Based on the foregoing assessment, construction and operations of the PWP I project would not pose a threat of serious injury to social and economic conditions of the current habitants or expected future inhabitants of the affected area.

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Appendix A: Housing Plan Letters of Interest

From: GURU LODGING LLC <douglasinn@mediastreamus.net>
Subject: Re: Lodging for Pioneer Wind Park construction workforce
Date: May 8, 2014 9:43:49 AM MDT
To: George Blankenship <gblankenship@blankenshipconsulting.com>

Hello George,

We would be able to accommodate this request. The rate would be approximately \$99.00 a night for a single or a double room.

Thank you,
Lori

On Thu, May 8, 2014 at 8:52 AM, George Blankenship
<gblankenship@blankenshipconsulting.com> wrote:

Lori, thanks for your reply to my colleague, Charles Thornton-Colby's email about the potential of housing part of the Pioneer Wind Park construction workforce. Charles is out of the country on business and I am following up for him.

I have a couple of questions. Would you be able to accommodate the workforce if the project were to occur during 2016? May through December 2016 appears to be the target date at this point. If you are able to accommodate the workforce in that period, is 50 rooms still a reasonable estimate?

I realize that this is somewhat far in the future, but can you estimate what the rate or the range of rates (from \$X to \$X) might be at that time?

Please reply to this email or call me if you have any questions.

Thanks again for your interest,

George Blankenship

Blankenship Consulting LLC
1820 E Cedar Ave.
Denver, CO USA 80209-2626
[303 765-2160](tel:3037652160)
[303 698-0108](tel:3036980108) (fax)
gblankenship@blankenshipconsulting.com

From: Todd Hartman <todd.hartman@shiloinns.com>
Subject: RE: Lodging for Pioneer Wind Project
Date: May 8, 2014 10:35:05 AM MDT
To: George Blankenship <gblankenship@blankenshipconsulting.com>,
"sophia.fernandez@shiloinns.com" <sophia.fernandez@shiloinns.com>

Hi George,
It's been one of those weeks, hasn't it??
We can accommodate you for 2016 as well. Basically, we would add \$1 for inflation. So, the rates for that period, May- December, 2016, would be as follows:

0-5 Rooms per night	\$61.00 plus tax/night
6-10 Rooms per night	\$58.00 plus tax/night
11-20 Rooms per night	\$56.00 plus tax/night
20 + Rooms per night	\$54.00 plus tax/night

Also, we can offer up to 40 rooms for that period with advance notice. Those can all be doubles, two queen beds, for each room. Let me know if you need anything else.

Thanks,

Todd Hartman | Director of Sales, Casper, WY and Helena, MT
Office: 307-237-1335 | Fax: 307-577-7429
Mailing Address: Shilo Inn, PO Box 246, Evansville, WY 82636
todd.hartman@shiloinns.com | www.shiloinns.com
Follow Shilo Inns on Twitter (ShiloInnsHotels) and be a fan on Facebook (Shilo Inns)!

-----Original Message-----

From: George Blankenship [mailto:gblankenship@blankenshipconsulting.com]
Sent: Thursday, May 08, 2014 8:45 AM
To: todd.hartman@shiloinns.com
Subject: Re: Lodging for Pioneer Wind Project

Sorry Todd - I meant 2016 - coffee hasn't quite kicked in yet.

On May 8, 2014, at 8:36 AM, George Blankenship wrote:

From: Casper Corporate Sales <corpsales@ramkotacasper.com>
Subject: Re: lodging for Pioneer Wind Park Construction workforce
Date: May 8, 2014 11:18:31 AM MDT
To: George Blankenship <gblankenship@blankenshipconsulting.com>

George,

I'm off property right now so will get you a rate range this afternoon. The 30 rooms are not a problem. We look forward to working with you and your company.

Talk to you soon.

*Karin East
Rooms Division Director
Ramkota Casper
900 North Poplar Street
Casper, WY 82601
Phone: 307-266-6000
Cell : 307 262-3204
corpsales@ramkotacasper.com*

Sent from my Verizon Wireless 4G LTE DROID

George Blankenship <gblankenship@blankenshipconsulting.com> wrote:

Karin, thanks for your reply to my colleague, Charles Thornton-Colby's email about the potential for the Best Western Ramkota Hotel's housing part of the Pioneer Wind Park construction workforce. Charles is out of the country on business and I am following up for him.

I have a couple of questions. Would you be able to accommodate the workforce if the project were to occur during 2016? May through December 2016 appears to be the target date at this point. If you are able to accommodate the workforce in that period, is 30 rooms still a reasonable estimate?

I realize that this is somewhat far in the future, but can you estimate what the rate or the range of rates (from \$X to \$X) might be at that time?

At this point we are just seeking an expression of interest. We will give your response to the construction contractor and the Wyoming Industrial Siting Division.

From: Casper Corporate Sales <corpsales@ramkotacasper.com>
Subject: RE: lodging for Pioneer Wind Park Construction workforce
Date: May 8, 2014 4:16:38 PM MDT
To: George Blankenship <gblankenship@blankenshipconsulting.com>

George,

So the rate range for 2016 would be \$72.99 to 99.99. Quite possibly on the lower end but wanted to be sure to get this to you. If you feel a larger allotment would be needed, I can look into that as well.

Karin East
Rooms Division Director
Best Western Ramkota Hotel and Conference Center
800 N. Poplar St.
Casper, WY 82601
Phone: (307)266-6000 ext. 656
Cell: (307)262-3204
Fax: (307)473-1010
corpsales@ramkotacasper.com
www.casper.bwramkota.com

From: George Blankenship [mailto:gblankenship@blankenshipconsulting.com]
Sent: Thursday, May 08, 2014 8:58 AM
To: Casper Corporate Sales
Subject: lodging for Pioneer Wind Park Construction workforce

Karin, thanks for your reply to my colleague, Charles Thornton-Colby's email about the potential for the Best Western Ramkota Hotel's housing part of the Pioneer Wind Park construction workforce. Charles is out of the country on business and I am following up for him.

I have a couple of questions. Would you be able to accommodate the workforce if the project were to occur during 2016? May through December 2016 appears to be the target date at this point. If you are able to accommodate the workforce in that period, is 30 rooms still a reasonable estimate?

I realize that this is somewhat far in the future, but can you estimate what the rate or the range of rates (from \$X to \$X) might be at that time?

At this point we are just seeking an expression of interest. We will give your response to the construction contractor and the Wyoming Industrial Siting Division.

Please reply to this email or call me if you have any questions.

Thanks again for your interest,

George Blankenship

Blankenship Consulting LLC



La Quinta Inn Casper
Laura Miramontes
400 W F St.
Casper, Wyoming 82601
May 14, 2014

Blankenship Consulting LLC
1820 E Cedar Ave.
Denver, Colorado 80209

Dear George or To Whom it May Concern:

I understand that your company is requesting hotel lodging information. As a marketing professional, I do want to show our interest in providing rooms for the Pioneer Wind Park project. Below I will list 2 of our properties, and the options we have. Everything listed is what I can offer at this time. Everything is subject to change.

- La Quinta Inn Casper, Wyoming
 - Complimentary Hot Breakfast, internet, business and fitness center.
 - Room offer- 30 rooms
 - Room Rate- \$89.00
- Candlewood Inn and Suites Due to open in late 2014
 - Room offer- 30
 - Room Rate- \$89.00

Please remember room rate and count are subject to change. Please feel free to contact me with any questions you may have. My cell phone number is 307-247-2569.

I look forward to your phone call.

Sincerely

Laura Miramontes
Director of Sales

La Quinta Inn. 400 W F St. Casper, Wyoming 82601. 307-265-1200

From: Pat <mclagan@vistabeam.com>
Subject: RE: RV spaces for Pioneer Wind Project construction workers
Date: May 13, 2014 7:14:24 PM MDT
To: George Blankenship <gblankenship@blankenshipconsulting.com>

Yes I anticipate at least 10 spaces with the rate around \$450.00 a month with water, power and sewer included. Thank you for your interest in our site.

Best regards,
Pat McLagan
Owner/ operator
River bend RV park
307/436/3426

From: George Blankenship [mailto:gblankenship@blankenshipconsulting.com]
Sent: Tuesday, May 13, 2014 9:42 AM
To: mclagan@vistabeam.com
Subject: RV spaces for Pioneer Wind Project construction workers

Pat, thanks for your reply to my colleague, Charles Thornton-Colby's email about the potential for River Bend RV Park to provide RV spaces for part of the Pioneer Wind Park construction workforce. Charles is out of the country on business and I am following up for him.

I have a couple of questions. Would you be able to accommodate the workforce if the project were to occur during 2016? Do you anticipate that you will still have 10 RV spaces at that time? May through December 2016 appears to be the target date at this point.

I realize that this is somewhat far in the future, but can you estimate what the rate or the range of rates (from \$X/month to \$X/month) might be at that time?

Please reply to this email or call me if you have any questions.

Thanks again for your interest,

George Blankenship

Blankenship Consulting LLC
1820 E Cedar Ave.
Denver, CO USA 80209-2626
303 765-2160
303 698-0108 (fax)
gblankenship@blankenshipconsulting.com

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May 16, 2014

Luke Esch, Administrator
Industrial Siting Division
Herschler Building 4 West
122 West 25th Street
Cheyenne, WY 82002

RE: Notice of Compliance with Special Conditions # 16, 17, 20 and 21
Pioneer Wind Park I and Pioneer Wind Park II
Industrial Siting Council Docket DEQ/ISC 10-02

Dear Mr. Esch:

On July 18, 2011, the Industrial Siting Council issued its *Findings of Fact, Conclusions of Law and Order granting Permit Application with Conditions and Allocating Impact Assistance Funds* ("Permit") regarding the Pioneer Wind Parks.

The Permit contains a number of Special Conditions. As to Special Conditions # 16, 17, 20 and 21, your Permittee respectfully submits this letter and the attached Affidavit of Christine Mikell Demonstrating Compliance with Special Conditions Nos. 16, 17, 20 and 21 to demonstrate its compliance with those Special Conditions, reserving the right to supplement and provide further information should the request or need arise.

Your Permittee believes it has not only complied with the explicit written requirements of its Permit, but has in good faith gone beyond those requirements. Towards that end, it respectfully submits this Notice of Compliance with Special Conditions and the accompanying Affidavit, and requests that the Industrial Siting Division find that Special Conditions # 16, 17, 20 and 21 have been and are fulfilled.

Sincerely,

A handwritten signature in cursive script that reads "Christine Mikell".

Christine Mikell
President, Wasatch Wind

Enclosure

BEFORE THE WYOMING INDUSTRIAL SITING COUNCIL

IN THE MATTER OF THE INDUSTRIAL)
SITING PERMIT APPLICATION OF)
WASATCH WIND INTERMOUNTAIN, LLC) DOCKET NO. DEQ/ISC 10-02
d/b/a PIONEER WIND PARK I, LLC AND)
PIONEER WIND PARK II, LLC)

**AFFIDAVIT OF CHRISTINE MIKELL DEMONSTRATING COMPLIANCE
WITH SPECIAL CONDITIONS Nos. 16, 17, 20 AND 21**

COMES NOW your Affiant, Christine Mikell, being duly sworn upon her oath and of legal age, and in support of the Applicant's Notice of Compliance with Permit Special Conditions #16, #17, #20, and #21, filed concurrently herewith, states and alleges as follows:

1. I am the President of Wasatch Wind Intermountain, LLC d/b/a Pioneer Wind Park I, LLC and Pioneer Wind Park II, LLC ("Applicant" or "Wasatch").
2. I participated in the preparation of the permit application in the above-referenced matter ("Application"), and am familiar with the content of the Application.
3. I attended prehearing conferences related to the Application and the ISC hearings.
4. I was present at the hearing before the Industrial Siting Council ("ISC") on the Application. These hearings took place from May 16, 2011 to May 18, 2011, then reconvened for one final day on June 13, 2011.
5. I participated in the Industrial Siting Council's hearing of the Application and I testified at the hearing on May 16, 2011 and June 13, 2011.
6. I have reviewed the transcripts of the hearing.

7. During the hearing I had the opportunity to hear the testimony of all the witnesses, listen to the questions of members of the ISC, hear the legal and factual arguments, and review all the exhibits submitted during the hearing.

8. I was present during the discussion and deliberation of the members of the ISC on July 13, 2011, and witnessed their decisions and vote on granting the Permit and its conditions.

9. I have read and reviewed the Permit issued in written form on July 18, 2011.

10. I understand Special Condition #16 of the Permit to require the Applicant to conduct and provide a second year survey of wildlife to the ISD.

11. I understand Special Condition #17 of the Permit to require the Applicant to provide evidence of training, orientation, and agreement on response actions to the Projects to personnel of adjacent fire districts.

12. I understand Special Condition #20 of the Permit to require the Applicant to participate in good faith negotiations and discussions with Pioneer Wind Park I and Pioneer Wind Park II's (collectively the "Projects") "opponent landowners" in an effort to mitigate viewshed and audio impacts of the Projects.

13. I understand Special Condition # 21 to seek FFA approval for remote control night lighting and install the same.

I. The Parties

14. Wasatch Wind Intermountain, LLC ("Wasatch"), is a renewable energy developer proposing to construct the Projects in Converse County, Wyoming.

15. Tracy Livingston is a founder of Wasatch, but is no longer with the company in any capacity.

16. Brent R. Kunz, Marianne K. Shanor, John A. Masterson and Alaina M. Stedillie are counsel for Wasatch.

17. Element Partners ("Element") was a primary investor in Wasatch Wind.

18. Sam Gabbita is a Managing Director of Element Partners.

19. Edison Mission Energy ("Edison") testified at the ISC hearings as to its ability and willingness to provide financial assurance for the Projects.

20. Sanjay Bhasin was the Managing Director of the Business Development Group for Wind Energy at Edison. Mr. Bhasin testified at the ISC hearing.

21. Ed Sledge was outside legal counsel for Edison.

22. Crystal Needham was inside counsel at Edison.

23. Parties formally supporting the permit application at the ISC hearing were Grant Ranch and True Ranches.

24. The Northern Laramie Range Alliance ("NLRA") is a Wyoming limited liability company and the Northern Laramie Range Foundation ("NLR") a Wyoming nonprofit corporation (collectively "NLR"). Both were parties to the ISC hearing and unsuccessfully opposed the Projects.

25. Chester and Jennifer Hornung are individuals and landowners living in the vicinity of the Projects. They were parties to the ISC hearing and unsuccessfully opposed the Projects. Ms. Hornung testified at the ISC hearing.

26. Alex Davison is a landowner in the vicinity of the Projects and is also an attorney who has taken over representation of Chester and Jennifer Hornung (Mr.

Davison's daughter and son-in-law). Mr. Davison replaced the attorney the Hornungs employed at the time of the ISC hearing, Mr. Scott Olheiser.

27. White Creek Ranch, LLC, is a Wyoming limited liability company owning land in the vicinity of the Projects, and was a party to the Converse County Permit process for the Projects.

28. Upon information and belief, Ken Lay is a member of, and the manager of, White Creek Ranch, LLC. Mr. Lay is also a member of the NLRA and on the steering committee of the NLRA. Mr. Lay was a witness at the ISC hearing.

29. Peter Nicolaysen is counsel for NLR, and a landowner in Converse County.

30. Tom Swanson is a member of the NLRA steering committee and a party to the PSC Ruling as further defined herein.

31. Sharon Rodeman is a member of the NLRA steering committee.

32. The NLRA, the NLRF, the Hornungs, White Creek Ranch, Mr. Lay, Mr. Swanson and Ms. Rodeman are collectively referred to herein as the "Opponent Parties."

33. Additional Parties participating in the ISC hearing were Natrona and Converse Counties, and the Town of Rolling Hills, though their participation was primarily focused on the allocation of impact assistance funds.

II. Background

34. On or about July 18, 2011, the Wyoming Industrial Siting Council (ISC) issued its written "*Findings of Fact, Conclusions of Law and Order Granting Permit Application with Conditions and Allocating Impact Assistance Funds*" ("ISC Permit")

Consistent with its usual practice and the deliberations of the council members, the ISC placed a number of Special Conditions within the Permit.

35. Special Condition #16 reads, in its entirety:

“Special Condition 16. Before the start of construction of each segment of construction – Pioneer Wind Park I & II – Permittee shall provide the second year survey of wildlife to the ISD. The Director may authorize the start of construction of the segment on a favorable recommendation by the Wyoming Game and Fish Department. Notwithstanding the above the Director may authorize the Permittee, at its own risk, to begin making improvements to Mormon Canyon Road.”

36. Special Condition #17 reads, in its entirety:

“Special Condition 17. Before the start of construction the Permittee shall provide evidence of training, orientation, and agreement on response actions to the Facility to personnel of adjacent fire districts. It will include fire prevention, fire suppression, emergency rescue and the respective responsibilities of the Permittee and the district(s). The Director may authorize the start of construction on a favorable recommendation by the State Fire Marshall.”

37. Special Condition #20 reads, in its entirety:

“Special Condition 20. Upon opponent landowner agreement, the Applicant will negotiate in good faith, mitigation for visual and potential audio impacts of Pioneer Wind Projects I and II, such as but not limited to vegetative screening.”

38. Special Condition 21 reads, in its entirety:

“Special Condition 21. FAA approval for remote control night lighting of wind generating towers will be sought and installed within six months of FAA approval.”

39. This Affidavit is submitted to reflect Wasatch’s compliance with the above-noted Special Conditions. While the vast majority of this Affidavit will concentrate on the breadth and depth of negotiations undertaken in compliance with Special Condition #20, all of the Special Conditions noted above will be addressed.

III. Chronology

40. On or about May 4, 2010, Wasatch participated in an initial “jurisdictional meeting” with the ISD.

41. On or about February 2, 2011, Wasatch filed its ISC application.

42. In numerous locations and at various dates and times, Wasatch held meetings and gatherings to present the project to interested parties and individuals. A list of all meetings and details of public and government involvement is found in Chapter 4 of the Permit Application, *Public Involvement*. This list is modified by the meetings listed herein.

43. The ISC hearing on the Permit Application was held May 16 – 18, 2011, and reconvened for a final day of testimony and argument on June 13, 2011.

44. On July 18, 2011, the ISC issued the written Permit, with findings and conditions consistent with its deliberations and decision of June 13, 2011.

45. On October 1, 2013, Wasatch appeared before the ISC with a request to change the model of turbines and reduce the number of turbines at the Projects. Wasatch’s requested amendments were granted by unanimous vote of the Council.

46. On December 18, 2013, Wasatch appeared before the ISC with a request to alter the site plan for the Projects. Wasatch’s requested amendments were granted by the Council without dissenting vote.

IV. Second Year Wildlife Survey – Special Condition 16

47. Special Condition 16 required Wasatch to perform certain actions prior to the start of construction, including meeting with the Wyoming Game and Fish

Department periodically, and providing a second year of the Biological Survey Report to Game and Fish.

48. Since the date the permit was granted, Wasatch has met with Game and Fish at least four times, most recently in March 2014. It has also worked with the United States Fish and Wildlife Service (USFWS) to avoid and minimize impacts to wildlife.

49. Wasatch provided the second year Biological Survey Report to Game and Fish in 2012. This survey was prepared in consultation with Game and Fish, as well as with the agency's approval and acceptance. Game and Fish reviewed the Report and made the following comment:

The report appears complete and addresses the baseline data collection for species of concern for this project. Additionally the WGFD encourages WW to utilize these data to make final determinations of turbine locations to minimize impacts to associated wildlife. In particular, we suggest turbine string configuration consider avoidance, to the extent possible of raptor "high use areas" as depicted in the report's maps.

50. After receiving Game and Fish's recommendations, Wasatch met with the ISD and Scott Gamo (Staff Terrestrial Biologist, Habitat Protection Program, Wyoming Game and Fish Department) to discuss the improvements that were made to the layout and to minimize impacts to wildlife. These two meetings took place on October 17, 2012 and April 26, 2013. The ISD favorably recognized Wasatch's efforts to make improvements during these meetings.

51. In a letter dated April 30, 2014, the Wyoming Game and Fish Department advised the Industrial Siting Division that Wasatch had met its wildlife-monitoring obligation.

52. Additionally, in collaboration with USFWS, Wasatch reduced the number of turbines from the original 62 allowed by the permit to 46, removing eight of the ten

turbines in the northern middle string. These eight were in raptor “high use areas.” Now, there are no turbines in high use areas. These improvements were approved by unanimous vote of the ISD after public meetings and deliberations at its December 18, 2013 meeting.

V. Training, Orientation and Agreement of Fire Districts – Special Condition 17

53. The fire departments relevant to this Condition include the Converse County Rural First Control Association, Douglas Volunteer Fire Department, Department of Fire Prevention and Electrical Safety, Natrona County Fire Protection District, and the Natrona County International Airport Fire Department.

54. While training of these departments has not yet been completed, Wasatch has consulted with Don Claussen, the former manager for the Top of the World wind farm, regarding what training is the most appropriate.

55. Training will be held on May 17th at the Higgins Hotel in Glenrock, Wyoming. Following this training, Wasatch will provide a summary of the training, as well as regular updates, to the ISD with the contacts made to Emergency Management Agencies.

VI. Attempts at Formal Settlement with the Opposing Parties – Special Condition 20

56. This Section is included to reflect the breadth and depth of negotiations – especially with Jennifer Hornung, Chester Hornung and the NLR – which began **before** the commencement of the ISC hearings, and which continued up to and including the NLR’s withdrawal from negotiations on September 26, 2011, and following that withdrawal.

57. This Section is not intended to reflect each and every contact between the parties and their representatives and respective counsel. It is not intended as a log of each and every individual communication, whether oral, written, telephonic or electronic as such a log would consist of literally hundreds of pages. Rather, this Affidavit is intended to reflect, in broad terms, the good faith efforts of Wasatch Wind in meeting the demands of the Opponent Parties and to demonstrate compliance with Special Condition #20. Should additional information, evidence or testimony be sought or requested, it can and will be provided.

A. Identification of "Opponent Landowners"

58. Special Condition #20 requests Wasatch to undertake negotiations with "Opponent Landowners." While it seems clear to Wasatch that Mr. Lay, White Creek Ranch, LLC, Tom Swanson, Alex Davison, Mr. and Mrs. Hornung and the NLR would be "Opponent Landowners," it is difficult to identify beyond them who Wasatch has been asked to contact.

59. For example, at the original ISC hearing, Mr. Grady Gaubert testified regarding his concerns with the Projects. In its Permit, the ISC referred to this testimony, noting that it "was not particularly compelling in light of his admission that he purchased his property with the knowledge that wind farm development on adjacent property was likely." Permit at ¶ 70.

60. Nonetheless, as has been Wasatch's practice, Wasatch has reached out to those who identified themselves at the ISC hearing as opponents of the Projects in an attempt to address their concerns.

B. Settlement Efforts with the Opponent Parties - Introduction

61. The common thread among the Opponent Parties and the Opponent Landowners is their membership in, and advocacy on behalf of, the NLRA and the NLRF. As a result, Wasatch's efforts to reach a mutually acceptable solution with the NLRA and the NLRF is highly relevant to an evaluation of compliance with Special Condition #20.

62. Early contacts between representatives of Wasatch and the NLR, or individuals with the NLR, were not positive. While the Wasatch careers of the individuals who initially contacted NLR members did not last long, these initial contacts laid a foundation for the NLR's cynical, untrusting and hostile view of Wasatch that remains to this day. Nonetheless, Wasatch's position has always been that it was and would remain open to discussions about mitigating the concerns of the NLR, just as it was and has been open to such discussions from any member of the community. This position was repeatedly given to the NLR, particularly at a December 15, 2009, meeting in Douglas at the Four Winds Motel between members of the NLR, including Diemer True, Ken Lay and Peter Nicolaysen, and representatives of Wasatch, including Tracy Livingston, Michelle Stevens, John Aubrecht, and John Masterson.

63. Despite Wasatch's receptiveness and desire to work with the Hornungs, the NLR and other opponents of the Projects, contact between any opponents and Wasatch were nearly nonexistent from the December 15, 2009 meeting referenced above until April 8, 2011, when face-to-face discussions began again.

64. As set forth further below, efforts at settlement between Wasatch and the Opponent Landowners were extensive, taking place over months and involving literally hundreds of hours of time and resources – likely from all who participated.

C. Settlement Efforts with the Opponent Parties – Substantive Discussions

65. Following the ISC pretrial hearing on May 10, 2011, and six days before the beginning of the contested case hearing, representatives of the Parties met to discuss the possibility of a mutually acceptable settlement agreement.

66. This initial meeting included, on behalf of Wasatch, Sanjay Bhasin, Michelle Stevens, Christine Mikell, John A. Masterson, Ed Sledge (telephonically) and Crystal Needham (telephonically). On behalf of the Project Opponents were Ms. Hornung, her father (and now her attorney) Alex Davison, and representatives of the NLR, including Peter Nicolaysen, Diemer True, Sharon Rodeman, and Ken Lay (telephonically for a portion of the meeting).

67. This initial meeting lasted approximately two and a half hours, during which time various conceptual ideas for settlement were discussed, including but not limited to: movement of turbines to mitigate viewshed concerns of the NLR, Mr. Lay and Ms. Hornung; direct monetary payments to Ms. Hornung and the NLR; payment timing and conditions; withdrawal of legal challenges to the Projects; agreements to forego any further development within certain geographic parameters; and other matters important to the parties.

68. In response to this May 10, 2011, meeting, on May 15, 2011, (the day before the ISC hearing began), Mr. Nicolaysen was provided with a draft settlement agreement prepared by Wasatch's counsel. The May 10, 2011 meeting and the written

draft set out the starting points for efforts to negotiate and resolve the concerns of the NLR and the Hornungs.

69. For the ensuing four months, the Parties exchanged drafts, adding and removing language consistent with the evolving discussions.

70. Parties to the final executable settlement agreement were Wasatch, Pioneer Wind Park I, LLC, Pioneer Wind Park II, LLC, Tracy Livingston, DFJ Element, L.P., Edison Mission Wind, Inc., Edison Mission Energy, Northern Laramie Range Alliance, Northern Laramie Range Foundation, Chester and Jennifer Hornung and Alex Davison.¹

71. These efforts continued from May 10, 2011, up to September 26, 2011, at which time the NLR advised via e-mail that it was no longer interested in further discussions and would not sign the agreement. None of the Opponent Parties have ever communicated what specific terms became unacceptable after the NLR had previously agreed to them.

72. Between at least March of 2011, through the NLRA's withdrawal from settlement on September 26, 2011, there have been face-to-face meetings, hundreds of telephone conversations and conferences, and hundreds, if not thousands, of e-mails between opponents of the Projects and Wasatch, and internally among the Wasatch parties. Representative of these communications and of particular note are the following.

i. Electronic mail

73. May 15, 2011: NLR requests more time to review agreement.

¹ Included within the final draft settlement agreement was a "condition precedent" to its enforceability, requiring that Ken Lay, White Creek Ranch, LLC and Tom Swanson each execute a release of claims against the Projects. Obviously, as the settlement agreement was never consummated, this requirement never took effect. Rather, it is offered to show that these parties were active participants in the negotiation process.

74. June 2, 2011: Request for a face-to-face meeting made to NLR and requesting response to written settlement agreement, NLR requesting revised viewsheds.

75. June 11, 2011: NLR e-mail to Sanjay Bhasin advising they must wait on further discussion until after the ISC hearing. Though no response was sent to the last Wasatch draft settlement agreement, NLR still wanting to move forward.

76. July 15, 2011: Sanjay Bhasin e-mails the NLR asking why Wasatch had not received the promised, revised settlement agreement.

77. July 18, 2011: NLR responds to above e-mail indicating continued willingness to explore settlement, requesting answers to a series of questions.

78. August 3, 2011: Alex Davison confirms telephonic meeting to take place on August 5, 2011 to review updated layouts and visual simulations.

79. August 7, 2011: Sanjay Bhasin e-mail to Alex Davison with request to have settlement reached by August 19, 2011. Sanjay provides contact information for Crystal Needham to Alex Davison so work can continue during Sanjay's vacation.

80. August 10, 2011: NLR now requests Ken Lay visual simulation that had been declined earlier. It is provided that day.

81. August 29, 2011: NLR writes about last settlement agreement provided them (dated August 28, 2011), addressing certain issues.

82. September 19, 2011: Wasatch advises NLR about changes that have been accepted and revised draft to follow. (Revised settlement agreement provided to the NLR on September 20, 2011.)

83. September 23, 2011: Updated Exhibits (viewsheds and turbine layouts) sent to NLR and Alex Davison. Offered a call on September 26 to review Exhibits and meet in person after that.

84. September 26, 2011: NLR advises that settlement agreement is unacceptable they will not execute the agreement.

ii. Telephone calls

85. July 1, 2011: NLR advises Sanjay Bhasin that the NLR would like to come back and work with Wasatch. NLR indicates it will supply a response to the May 15, 2011, agreement on July 5, 2011.

86. April 8, 2011: Call with Wasatch, EME and the NLR to reengage the NLR.

87. August 5, 2011: Call with Sanjay Bhasin, Michelle Stevens and Ed Sledge (telephonically) and Peter Nicolaysen, Alex Davison and Jennifer and Chester Hornung. NLR explains why it hasn't provided an edited settlement agreement and couldn't until August 16, 2011. Review of viewsheds and visual simulations as well as issues in August 2, 2011, version of the settlement agreement.

88. August 15, 2011: Telephone conference between Christine Mikell, Crystal Needham and Peter Nicolaysen.

89. August 19, 2011: Telephone conference between Sam Gabitta, Christine Mikell and Alex Davison on negotiation status and positions.

90. August 22, 2100: Telephone conference with Sam Gabitta and Peter Nicolaysen. NLR advises that they would execute the last version of the settlement agreement they had submitted (dated August 18, 2011).

iii. Meetings

91. May 10, 2011: Beginning of negotiations, participants included Sanjay Bhasin, Michelle Stevens, Christine Mikell, John Masterson, and Ed Sledge and Crystal Needham (telephonically) on behalf of the Projects' proponents and Peter Nicolaysen, Alex Davison, Diemer True, Sally Sarvey, Sharon Rodemen and Ken Lay (telephonically).

92. June 9, 2011: John Masterson, Sanjay Bhasin, Christine Mikell, Jackson Lord and Ed Sledge and Crystal Needham (telephonically) on behalf of Wasatch and Peter Nicolaysen, Sharon Rodman, Jennifer Hornung, Alex Davison and Ken Lay (telephonically) on behalf of the NLRA. New visual layouts shown and further substantive discussions during the approximately four hour meeting.

93. June 16, 2011: Sanjay Bhasin, Christine Mikell and Alex Davison meet in Cheyenne to discuss viewsheds.

94. July 7, 2011: Meeting in Cheyenne, Wyoming between Alex Davison, Christine Mikell and Sanjay Bhasin.

95. August 24, 2011: Meeting in Casper with Christine Mikell, Peter Nicolaysen and John Masterson. Reviewed remaining settlement issues.

iv. Exchange of written settlement agreements

96. May 13, 2011: Draft agreement sent by Wasatch to NLR and the Hornungs.

97. May 14, 2011: Draft agreement sent by NLR to Wasatch and the Hornungs.

98. May 15, 2011: Draft agreement sent by Wasatch to NLR and the Hornungs.

99. July 22, 2011: Draft agreement sent by NLR to Wasatch and the Hornungs.

100. August 2, 2011: Draft agreement sent by Edison (on behalf of Wasatch) to NLR and the Hornungs.

101. August 18, 2011: Draft agreement sent by NLR to Wasatch and the Hornungs.

102. August 28, 2011: Draft agreement sent by Wasatch to NLR and the Hornungs.

103. September 5, 2011: Draft agreement sent by Wasatch to NLR and the Hornungs.

104. September 16, 2011: Draft agreement sent by Wasatch to NLR and the Hornungs.

105. September 20, 2011: Draft agreement sent by Wasatch to NLR and the Hornungs.

106. September 26, 2011: The NLR withdraws from negotiations.

VII. Efforts at Settlement with Other Individuals – Special Condition 20

A. Chester and Jennifer Hornung.

107. As an initial matter, it should be noted that after listening to Ms. Hornung's testimony at the ISC hearing, and listening to that of Wasatch, the ISC found that, contrary to Ms. Hornung's testimony, the Hornungs had, in fact, had opportunity to discuss their concerns with Wasatch:

"...the Applicant has proved, by a preponderance of the evidence, it has met the notification requirements in the statute. The statutes do not require personal notification. The Wasatch Wind developers also conducted several meetings with the local residents to discuss concerns and mitigate impacts. The Hornung's had an ample opportunity to participate at the meetings and contact Wasatch Wind. Wasatch Wind complied with all notification requirements in this matter." (*sic*)

ISC Permit at Paragraph 69.

108. Nonetheless, Wasatch went further, including the Hornungs and their counsel, Mr. Davison, in the settlement discussions referenced above.

109. Ms. Hourning's statement at the ISC hearing are nonetheless disconcerting. During her May 17, 2011, sworn testimony before the ISC, in response to questions from her then-attorney, Scott Olheiser, Jennifer Horning testified, in part, as follows:

Q. Did anyone contact you from Wasatch, regarding this project?

A. My first contact - **and only contact** - with Wasatch was at their open house. Um, we were there a little early because we had eaten in town and we had the kids with us and we didn't want to go home and come back in. Um, they asked us to leave. And my husband asked: Is there something you don't want everyone to hear? And then we were promptly sent Sam Lichenstein, who basically distracted us from what they were talking about and offered some condolences and said, yes - you know, you will probably see some. And that was my -- the extent of our conversation. He did give us a card and -- and sort of shrugged us off -- um, is the feeling that we got from that. (Emphasis added.)

Transcript pp. 537 – 538.

Q. The open house that you're speaking of, what's the time frame of that? Do you recall when that was?

A. That was November. November 9th.

Q. Did anyone from Wasatch ever come to your home to visit with you?

A. No.

Q. Did you receive any phone calls from any of the individuals at Wasatch?

A. No.

Q. Do you know if your husband did?

A. He did not.

Page 539.

Q. Do you know if the location of your house was ever requested by Wasatch?

A. I do not know if they have.

Q. Okay. Earlier today -- or I'm sorry, earlier in the hearing process -- and I don't know that you were here for this yesterday. However, there was testimony, I believe from Ms. Mikell, that a view shed analysis had been done of your property.

A. (Witness nodded.)

Q. What do you know about that?

A. I don't know anything about that.

Q. Have you received any information about a view shed analysis for your property, from Wasatch?

A. No, I have not.

Transcript at p. 540.

Q. What is your feeling with regard to Wasatch addressing the concerns and the issues that you have with regard to this project?

A. Can you ask that again?

Q. Sure. How have you felt Wasatch has accommodated you in the concerns and the issues you, as a landowner adjacent to this project, have?

A. I don't think that they have taken anything seriously. I felt they didn't take it seriously at the open house. Um, and they have yet to contact me, even though I've stood 2 feet away from Michelle Stevens at hearing after hearing after hearing of the Converse County Commissioners. Not a word. So I feel shrugged off.

Transcript at pp. 548 – 549.

A. Wasatch did their entire layout without contacting us. Um, we're their nearest neighbor. We've lived there year-round. We're by far the most impacted people - - negatively impacted people by this project. Um, none of the participants have anything close to what we have in this, if you look at a percentage of their ownings. This is everything we have. I worry about my kids growing up. I worry about losing our life savings to this. Um, these turbines may be on paper, but our home is on concrete. Um, I know that it's difficult to move turbines. I know that this is a difficult process. Um, **but Wasatch made the choice not to talk to us.** And they did it in and now I think they should change it. Um, to me, it seems very unfair. (*sic*) (Emphasis added.)

Transcript at p. 551.

110. Contrary to the above testimony, a meeting took place at the Holiday Inn in Casper, Wyoming, before Ms. Hornung's testimony,

106. Transcript of hearing on June 24, 2013, Page 53, statement by Ms. Hornung:

I have not spoken with anyone from Wasatch since the last hearing. So in relation to my condition, nothing has been done on that.

111. Nonetheless, Wasatch took it upon itself to attempt to mitigate the Hornung's concerns.

112. Since the original Permit was granted, Wasatch moved 9 turbines farther west from the Hornung residence. Five of those were moved about at least a one-quarter of a mile, and in some cases one-half of a mile, farther away from the Hornung residence than their original location.

113. Eight of the turbines that were directly in the viewshed of the Hornung's and are now totally eliminated from the Hornung's viewshed, meaning they can no longer see the turbines from their residence.

114. From the visual simulation perspective, with the permitted site plan, the Hornungs can now only see nine turbines and tips of two other turbines. In the original permitted layout, the Hornungs could see significantly more.

B. Grady Gaubert

115. Mr. Grady Gaubert, a landowner in the vicinity of the Projects, was not a formal party to the ISC hearing, but testified at the ISC hearing about his concerns with the Projects. The ISC Permit referenced his concerns in the Permit, stating:

For instance, the Council finds Gaubert's testimony in opposition to the Projects was not particularly compelling in light of his admission that he purchased his property with the knowledge that wind farm development on adjacent property was likely.

ISC Permit at Paragraph 70.

116. While it is therefore unclear whether Mr. Gaubert is an "opponent landowner" referenced in Special Condition #20, Wasatch had repeated contacts with representatives of Wasatch from July 2011 through September 19, 2011.

117. Mr. Gaubert has never made any demand or request of Wasatch, so it is unclear what, if any, concerns he may have.

118. At the time of the hearing, Mr. Gaubert was able to see almost the entire southern layout from his ranch. With the permitted site plan, Wasatch reduced the number of turbines visible from Mr. Gaubert's ranch by nine.

C. Gerald Epperly

119. Gerald Epperly has also expressed concerns about the effect the Projects may have on his property, though he was neither a party to the ISC process nor did he testify at the hearing. It is therefore unclear as to whether the ISC intended him to be an "Opponent Landowner."

120. Nonetheless, Wasatch communicated with Mr. Epperly about the effects the Projects may have on his property. These efforts include various contacts in mid-2011 as well as direct discussions with Mr. Epperly, beginning in earnest in July, 2011.

121. Discussions with Mr. Epperly progressed to negotiations between Wasatch and Mr. Epperly's counsel, Mr. Craig Shanor, on an agreement to address his concerns. These discussions progressed to the point of a purchase agreement being sent by Wasatch to Mr. Epperly and his counsel in the summer of 2011.

122. With the evolution of the discussions with the Opponent Parties and Wasatch and the changing nature of the number of turbines and their location, as well as the legal challenges which were mounted against the Projects and delayed them, the impact of the Projects upon Mr. Epperly, if any, and any concerns Mr. Epperly may have are unknown.

123. Neither Mr. Epperly nor his counsel have ever made any demand or request of Wasatch, so it is unclear what, if any, concerns may remain.

D. Ken Lay and White Creek Ranch

124. Mr. Lay was one of the most vocal opponents of the Projects, testifying at length at the Hearing, and actively participating in settlement negotiations.

125. At the time of the Hearing, Mr. Lay could see several turbines in the southern and northern strings. Pursuant to the new layout, Wasatch moved four of the turbines visible to Mr. Lay and White Creek Ranch. This move mitigated and removed visibility of turbines and blades from the view of Mr. Lay and White Creek Ranch.

126. It should be recognized that outreach to some opponents of the projects would be futile. Mr. Lay and White Creek Ranch should be considered part of such a group. At the ISC hearing, on May 18, 2011, Mr. Lay testified that he wasn't interested in anything other than the complete removal of the Projects from the permitted area:

Q. Did Wasatch ask you what they could do to try to help you address your concerns?

A. Yes.

Q. And what your response?

A. We suggested to them that if they found a different location, away from the -- out of the mountains, that we wouldn't -- that would address our concerns.

Q. Basically, it was: If you will go somewhere else.

A. That's correct.

Transcript at pp. 1013.

127. Given these beliefs, it should be recognized that in many instances, among them Mr. Lay's, the only acceptable mitigation is categorical denial of these permitted Projects.

E. General Public Outreach

128. Over the course of the planning for the Projects, Wasatch has met or reached out to at least 230 individuals and groups to educate them about the project or who wished to ask questions or expressed concerns about the Projects.

129. To the best of my knowledge, there are no other groups or individuals who have sought, or are currently seeking, to have discussions with Wasatch to mitigate any concerns.

VIII. General Mitigation Efforts – Special Condition 20

130. Since the original Permit was granted, Wasatch has reduced the number of turbines from 31 in the northern area to 24. Wasatch has reduced the total number of turbines in both Projects from 62 to 46.

IX. Good Faith – Special Condition 20

131. Special Condition #20 states that Wasatch, as the Applicant, is to negotiate in good faith.

132. Wasatch believes it has demonstrated its good faith by continuing to negotiate and engage in outreach, trim the economics of the Projects, relocate turbines, incurring costs through redesign and additional studies, attempting to make financial payments up to \$7 million, and taking other affirmative and proactive steps to reach compromise.

133. During the negotiations with the Opponent Parties, Wasatch and its partners incurred time and expense in the form of lost work on the projects themselves, the use of valuable resources to make requested changes and in time spent for consultants and attorneys to be involved in this process.

134. For example, and as the Council is aware, turbines cannot simply be moved, at random, within a project site. The location of each individual turbine impacts the viewshed of others, impacts the production of the turbines in the short and long term, impacts construction costs, impacts transmission costs, impacts capital costs and requires new and/or additional study, research and preparatory work, including wildlife studies, economic studies, transportation and road studies, cultural studies and environmental studies, among others.

135. Further, Wasatch continued to negotiate with the Opponent Parties even while they took affirmative action in an attempt to damage the reputation and financial capability of Wasatch and its partners, as well as to hinder the Projects through collateral legal attacks.

136. For example, on July 20, 2011, the NLR sent a letter signed by members of its steering committee, to various investors in the Projects as well as executives of Edison Mission Energy the financial backer of the Projects. These letters were a continuation of activity the NLR and its members had been engaged in since at least March 10, 2010. The July 20, 2011, letters, among other things, reiterate the NLR's accusation that the Projects, and consequently Wasatch, are violating federal law in the form of the rules and regulations of the Federal Energy Regulatory Commission ("FERC"). Copies of these letters were sent to federal and state elected officials as well. Wasatch further notes that these claims were brought by the NLR to the 10th Circuit Court of Appeals, who rejected them. *Northern Laramie Range Alliance v. Federal Energy Regulatory Commission*, 733 F.3d 1030 (10th Cir. 2013)

137. Based upon the above, including our successful discussions with other parties about their concerns, the mitigation efforts we have conducted, the time frame of our negotiations with the NLR and the Hornungs, the depth and extent of our negotiations with the NLR and the Hornungs, and the concessions and compromise Wasatch has offered, we believe we have complied with Special Condition #20, in both spirit and intent.

X. FAA Approval of Lighting – Special Condition 21

138. The FAA has indicated to Wasatch that it is very close to releasing its new Advisory Circular which will allow for radar activated lighting. While Wasatch expects that this Circular will be issued within a year, it cannot provide a definitive date at this time.

139. Laufer Wind, our preferred vendor, is in the most advanced discussions with the FAA, among all vendors, in terms of arranging for a demonstration to the agency. This demonstration will verify that the Laufer Wind system will be able to meet the upcoming Advisory Circular guidelines, and thus be an acceptable technology to deploy at the Projects.

140. All of Wasatch's EPC bids take into account that Wasatch will be using this technology; if the technology is not approved, Wasatch will ensure the system could be added at a later date. To ensure this, Wasatch will deposit money into an escrow account at an appropriate time, pursuant to the terms of its permit with Converse County.

FURTHER YOUR AFFIANT SAYETH NOT.

Dated this 14 day of May, 2014.

Christine Mikell
Christine Mikell

STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

Subscribed and sworn to before me this 14 day of May, 2014, by Christine Mikell, whose identity was proven to me on the basis of satisfactory evidence to be the individual whose name is subscribed to this instrument, and who personally appeared before me and acknowledged that she executed it as her voluntary act and deed.

WITNESS my hand and official seal.

Dallas Erickson
Notary Public

My Commission expires: 3.30.17

