



Altamont Winds Inc.

23 June 2011

**Subject: Proposed Changes to Alameda Co. CUP Permit Conditions
920 wind turbines, Altamont Pass Wind Resource Area**

Dear Board Members:

Altamont Winds Inc. (“**AWI**”) will soon approach the East County Board of Zoning Adjustments (the “**Board**”) to request changes to our current Conditional Use Permits (“**CUP**”), involving 920 wind turbines in the Altamont Pass Wind Resource Area (“**APWRA**”), with the following goals:

- 1. Abolishing the Winter Seasonal Shutdown, which prevents us from operating wind turbines from Nov. 1 thru Feb. 15 each year.**
- 2. Modifying AWI’s schedule for permanent shut downs of wind turbines to allow all of AWI’s existing 820 wind turbines to continue to operate through December 31, 2015 (consistent with the other wind companies in the Altamont Pass).**
- 3. Add language to the CUP to account for the substantial human health, wildlife, and climate benefits of Altamont wind power.**

In support of our request, AWI submits the following evidence:

(1) As background, since 2007 (the year in which consistent avian field data was available), there has been a 79% reduction in Focal Species (i.e., raptors) avian fatalities. [see Exhibit 1]

(2) The Winter Seasonal Shutdown has proven ineffective, based upon the actual recorded field data. For example, one of the highest avian impact months is January, when NO turbines are operating. [see Exhibit 2]

(3) We’ve already spent nearly \$9 million on avian impacts [see Exhibit 3]. The economic environment in which AWI operates is worsening, compounded by PG&E’s plan to reduce energy rates paid by approx. 15% this year. Abolishing the Winter Seasonal Shutdown is essential to maintain economic viability of our wind farms.

(4) The CUP does not currently account for the substantial human health, wildlife, and climate benefits of Altamont wind power—over the past 20 years, operation of the Altamont wind farms has already saved over 55,800 birds, as well as, 73 human lives. [see Exhibit 4]

We will provide you with additional information, prior to next month’s BZA meeting.

Altamont Winds Inc.
Ryan McGraw, General Counsel

EXHIBIT 1
AWI Avian Fatality Decrease, 2007 – 2010



Change in Avian Fatalities, Jan-Dec
 Altamont Pass, California
 424/313/371 Monitored WT's

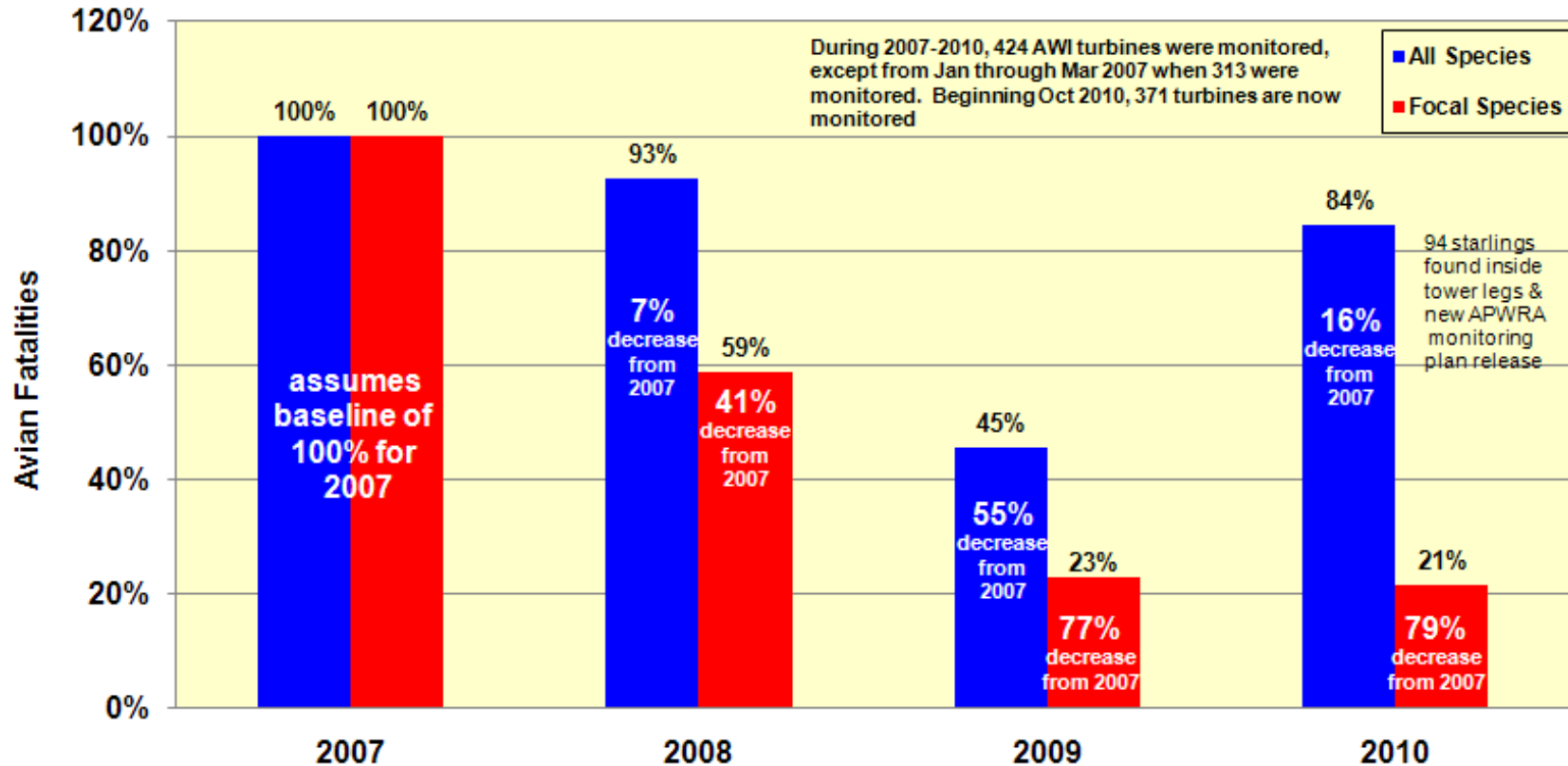


EXHIBIT 2
Ineffective Winter Seasonal Shutdown

Assessment of the Effectiveness of the Seasonal Shutdown

Because the winter shutdown occurred only during the current study, the consistent decrease in the average annual percentage of mortality occurring during the winter period for the four focal species using the common strings dataset indicates a possible beneficial effect of the seasonal shutdown. However, the size of the treatment effect generally increased each year of the current study, and yet

there was no consistent decrease in the percentage of mortality occurring during the winter for any of the four focal species. In fact, the percentage of annual mortality occurring during the winter for American kestrel and burrowing owl generally increased over the course of the current study, indicating a potential adverse effect of the winter shutdown. However, the positive relationship between the estimates of total adjusted annual fatalities and the percentage of fatalities that occur during the winter period also indicate a beneficial effect of the winter shutdown on American kestrel. The increasing percentage of total annual mortality occurring during the winter period may therefore be an anomaly.

Conclusions

Results of the monitoring program contain considerable uncertainty, in part because the APWRA is subject to considerable variability. However, the following conclusions are well supported by the preponderance of evidence.


- 1) There is little or no evidence of a 50% reduction in raptor fatalities in the APWRA between the baseline and current study periods for the four focal species as a group.
- 2) There is evidence to support the hypothesis that the seasonal shutdown has a positive effect for some focal species. However, there is also evidence suggesting a possible negative effect of the seasonal shutdown on the smaller focal species, particularly burrowing owls. However, there is little or no evidence that the 2005–2009 seasonal shutdown has significantly reduced total raptor fatalities in the APWRA.

**EXHIBIT 3
Avian Regulatory Costs, 2007 – 2011**

Altamont Winds Inc.						
WPP 87, WPP 88, WEG & Altamont Wind Projects						
23-Jun-11						
AVIAN REGULATORY COSTS, ALTAMONT PASS WIND FARMS						
AVIAN EXPENSES & LOST REVENUES, ALL WIND COMPANIES (NextEra/GRP, enXco, AES, AWI)						
	1	2	3	4	5	Total
	2007	2008	2009	2010	2011	
Avian Expenses						
Scientific Review Committee Wages	240,303	283,303	132,193	219,739	187,375	1,062,912
Scientific Review Committee Facilitator	86,174	90,808	61,902	82,627	78,923	400,434
Avian monitoring program	386,475	1,724,152	1,538,610	1,104,040	1,228,818	5,982,095
NCCP/HCP Costs	0	0	454,626	294,379	53,825	802,830
Repowering EIR	0	0	0	27,260	150,000	177,260
sec 7 review	0	0	0	0	20,000	20,000
ICF Jones & Stokes Compliance Plan	0	0	0	0	100,000	100,000
Total Expenses	712,952	2,098,263	2,187,331	1,728,045	1,818,940	8,545,531
Avian Lost Revenues/Energy Production						
lost revenues, permanent shutdowns	1,478,143	1,605,744	2,030,026	5,329,150	5,591,037	16,034,100
lost revenues, seasonal shutdowns	2,576,862	2,698,894	3,396,561	3,292,968	3,466,443	15,431,727
Total Lost Revenues	4,055,005	4,304,638	5,426,586	8,622,118	9,057,479	31,465,827
total avian regulatory costs are higher when including years outside of the Settlement Agreement						
total expenses	712,952	2,098,263	2,187,331	1,728,045	1,818,940	8,545,531
total lost revenues	4,055,005	4,304,638	5,426,586	8,622,118	9,057,479	31,465,827
Total Expenses & Lost Revenues	4,767,958	6,402,901	7,613,918	10,350,163	10,876,419	40,011,359
cumulative expenses & lost revenues	4,767,958	11,170,859	18,784,776	29,134,940	40,011,359	
AVIAN EXPENSES & LOST REVENUES, AWI						
	1	2	3	4	5	Total
	2007	2008	2009	2010	2011	
Avian Expenses, AWI						
Scientific Review Committee Wages	48,421	57,086	26,637	44,277	37,756	214,177
Scientific Review Committee Facilitator	17,364	18,298	12,473	16,649	15,903	80,687
Avian monitoring program	77,875	347,417	310,030	222,464	247,607	1,205,392
NCCP/HCP Costs	0	0	103,382	66,942	12,240	182,564
Repowering EIR	0	0	0	13,630	40,932	54,562
sec 7 review	0	0	0	0	20,000	20,000
ICF Jones & Stokes Compliance Plan	0	0	0	0	22,740	22,740
Total Expenses	143,660	422,800	452,522	363,963	397,177	1,780,122
Avian Lost Revenues/Energy Production, AWI						
lost revenues, permanent shutdowns	336,130	365,146	461,628	1,211,849	1,271,402	3,646,154
lost revenues, seasonal shutdowns	585,979	613,729	772,378	748,821	788,269	3,509,175
Total Lost Revenues	922,108	978,875	1,234,006	1,960,670	2,059,671	7,155,329
total expenses	143,660	422,800	452,522	363,963	397,177	1,780,122
total lost revenues	922,108	978,875	1,234,006	1,960,670	2,059,671	7,155,329
Total Expenses & Lost Revenues	1,065,768	1,401,675	1,686,528	2,324,632	2,456,848	8,935,451
cumulative expenses & lost revenues	1,065,768	2,467,443	4,153,971	6,478,603	8,935,451	

EXHIBIT 4

Summary of Health, Wildlife and Climate Benefits from Altamont Wind Farms



Save your life.

Wind is energy for life.

www.powerworks.com

Altamont Winds Inc.

Breathe the clean, natural air from the Altamont Pass wind farms near Livermore.

Over 20 years, the Altamont wind farms **SAVE:**

- 73 premature deaths
- 60 heart attacks
- 920 asthma attacks
- 6,700 lost work/sick days
- \$463 million in health costs
- 55,800 bird deaths

Source: Donald McCubbin, Ph.D., *Health, Wildlife and Climate Benefits of the 580 MW Altamont Wind Farms Altamont Pass, California*, September 2010.