

Redington Wind Farm Permitting Summary

*“Exhibit A” of Maine’s poor business climate:
Denial of \$180,000,000 clean power project*

Time and money: Ten years, \$5,500,000

Maine-based Endless Energy Corporation (“EEC”) painstakingly raised \$2.5 million—mostly from Maine investors—to develop Maine’s first wind farm. After years of intense work by a team of Maine firms, the project received offers from three institutional investors. EEC formed a joint venture with Edison Mission Group of California, which invested \$3 million and extensive management time.

After LURC’s denials, Edison management said they would invest their billions in “States that actually wanted their business.” The \$90 million worth of turbines they had ordered for the Redington project were diverted to Nebraska; new jobs and tax revenues went with them.

LURC Commissioners overrule staff and deny permit

EEC submitted a 2,000 page permit application in December, 2005 after years of working closely with LURC staff and other agencies. EEC went to great lengths to develop an exemplar project and the LURC staff agreed and issued a draft approval in December, 2006. The project, which enjoyed 9:1 public support, received:

- LURC staff: recommended approval
- Maine DEP: two permits
- US Army Corps of Engineers: permit
- Town of Carrabassett Valley: approval
- FAA; approval
- MIF&W; positive review
- Me Soils Conservation Service; positive review
- MNAP; positive review
- Historic Perseveration; positive review
- CMP/ISO: System Impact Study approval

When the LURC commissioners met in Jan 2007, they shocked EEC and most Mainers by overruling their own staff and other state agencies and denying the wind farm permit. Endless Energy Corporation then spent several months revising its application, cutting the project 40%. LURC Commissioners denied that reduced project as well.

LURC Commissioners knew very little about energy, wind power

While the LURC commissioners had some briefings to learn about energy and wind energy, they were ill prepared to address a wind farm application. Most of their work dealt with camps, driveways, garages, etc. Exhibit #5 lists some of the arguments that LURC Commissioners made when they rejected the revised project. We believe that the commissioners based this decision on irrelevant and/or incorrect information. Their misunderstandings were astounding and fundamental. Additionally, they didn't allow their staff to correct them and didn't allow the applicant to speak at all. Had either been allowed to speak, some of the misunderstandings might have been corrected. That added insult to injury. The whole process was a businessperson's nightmare.

Governor's Task Force included same environmental groups that opposed Redington

After the surprising decision by LURC commissioners, the governor created a wind power task force. Interestingly, the same environmental and hiking groups that had just fought Redington were given key roles in the task force. As a result, the final map from this group included a hole where the Redington project was located. Redington was excluded from the benefits of the new law. (It is also interesting to note that the statewide survey showed environmental group members were even more supportive of the project than average Mainers, but the environmental groups' leadership decided to oppose anyway.)

One of the positive contributions of the task force was that it identified problems with the existing permitting process for wind energy. It read like a summary of the Redington permitting process. (See *Exhibit #6*.)

Carrabassett Valley asked for this project

After the LURC Commissioners overruled their staff and state agencies, EEC approached the adjacent Town of Carrabassett Valley. The town has a long record of careful stewardship and economic vitality. We discussed the possibility of the town annexing adjacent Redington Township. (Carrabassett Valley had used this same option several years ago to annex what is now the ski area.) This would put the proposed wind farm in the town so it could benefit from taxes and low cost power. The Selectmen from the Town of Carrabassett Valley voted unanimously in favor of requesting a bill that would allow a local vote on annexing Redington Township into Carrabassett Valley. A bill was introduced in the legislature.

The bill received a 10-3 favorable vote in committee but was voted down after very intensive lobbying by the same environmental and trail groups that originally sunk the project. (The bill's sponsor reportedly upset his caucus by supporting a gas tax bill and lost support.)

New business model offers low-cost power

EEC has developed a new business model that provides more of the benefits of a wind farm to local and state power customers. Under this model, customers make an up-front payment and then benefit from low cost power. Participating school districts, for example, could better manage their energy budgets. We believe this model will increase public acceptance of wind farm projects. (A statewide survey showed 88% of Mainers favor wind farms and 3% oppose but those 3% are very vocal and active.) We would like to use this new model on the Redington project.

What can the Governor / Legislature do?

EEC is not asking for subsidies or special favors. We are open to discuss any options for bringing this low cost power project to Maine.

One option would be to add Redington Township to the expedited permitting zone for wind projects. Currently, all incorporated and most adjacent towns/townships are included. See second map in *Exhibit #1*.

Another similar option might be for the Legislature to pass a bill allowing a local Carrabassett Valley vote on annexation. If this bill passes and the locals vote in favor, then we would apply for permits from the town and from the DEP. We would probably propose a project using fewer wind turbines.

The Redington permitting fiasco is "Exhibit A" of Maine's poor business reputation. However, it also provides a great opportunity for the state to demonstrate how it can provide a pathway for an important project to be reviewed fairly.

Exhibits:

- Exhibit #1: Why this site?
- Exhibit #2: Public support: Excerpt from August, 2007 testimony
- Exhibit #3: More recent poll results
- Exhibit #4: Photographs and simulation
- Exhibit #5: LURC meeting notes 1/14/08.
- Exhibit #6: Excerpt from Wind Energy Task Force Report

Exhibits

Redington Wind Farm

Exhibit #1

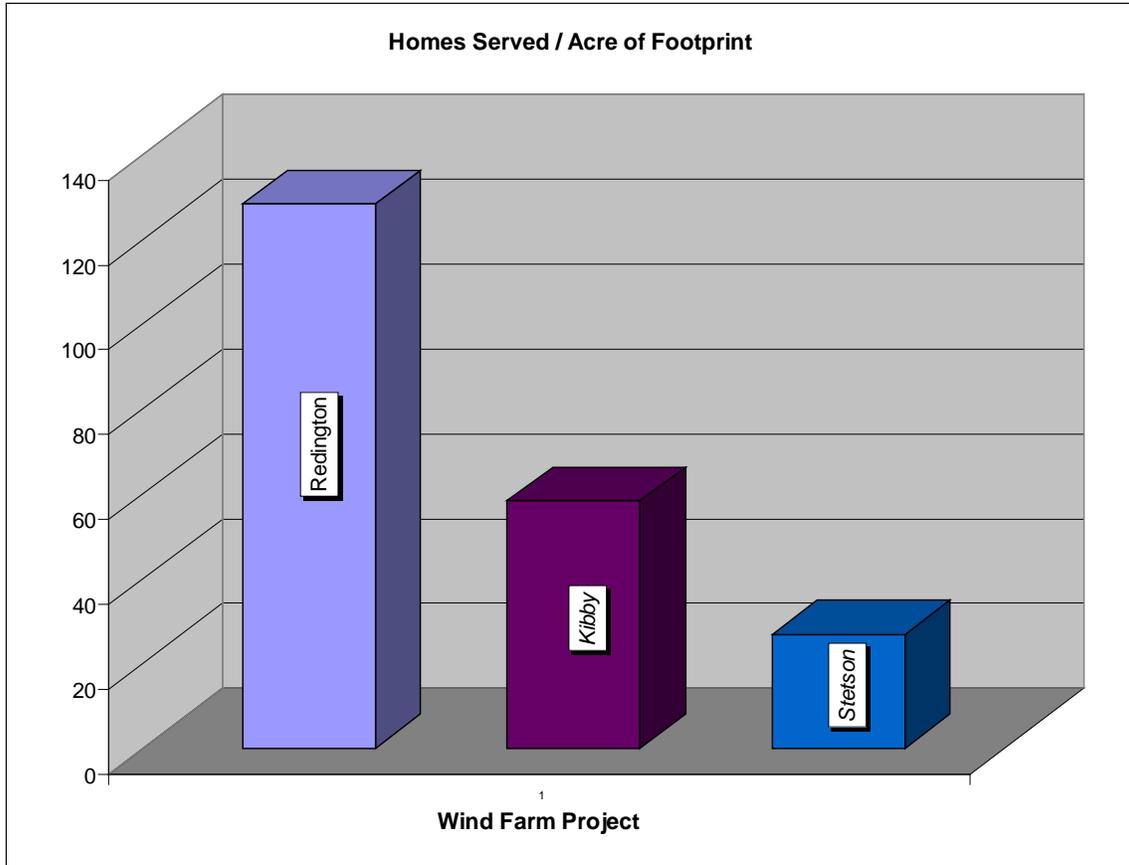
Why this site?

Endless Energy Corporation began taking wind measurements in Maine in 1989 as wind generation technology had become mature and the cost of wind-generated power was declining.

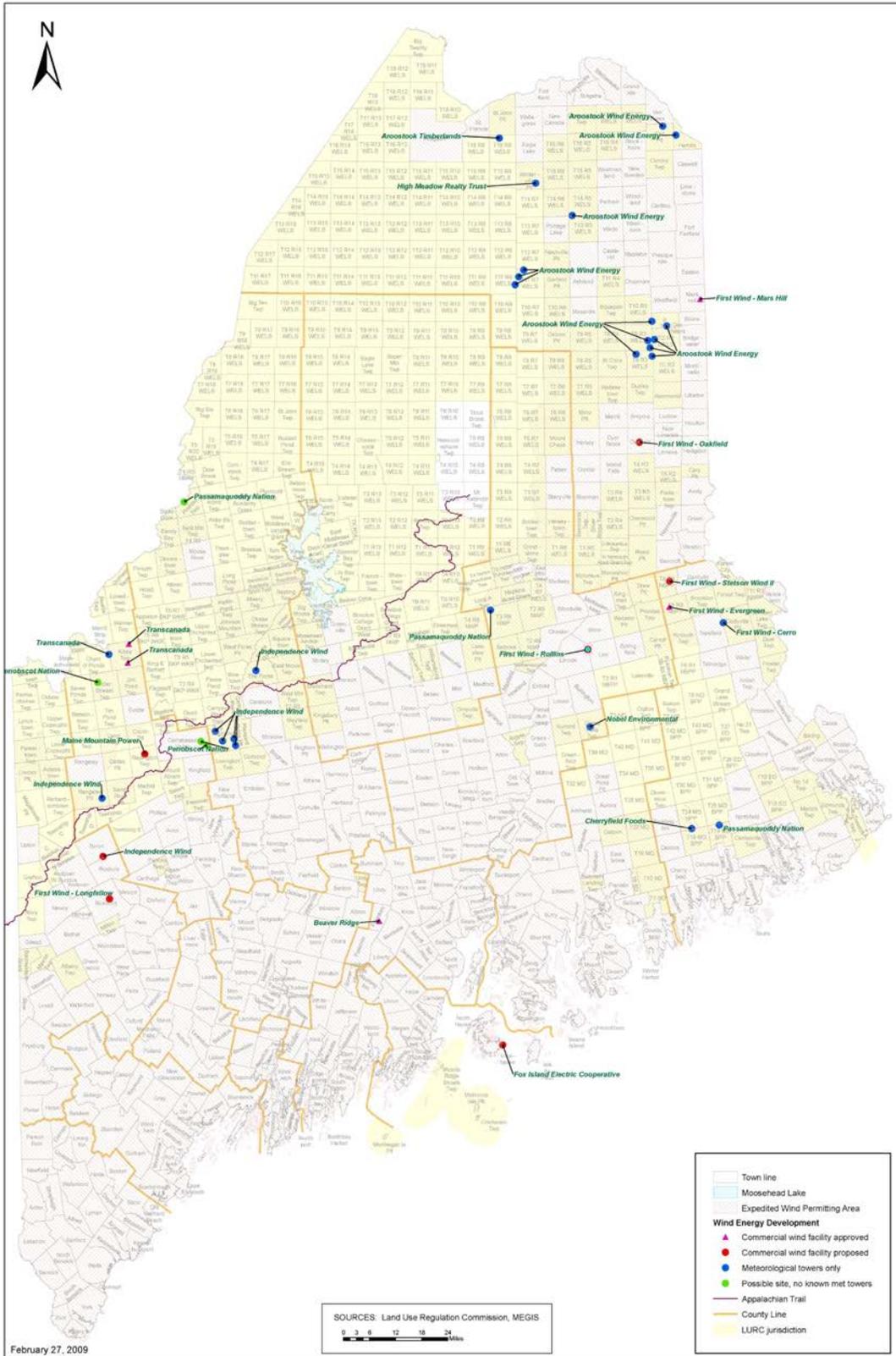
In the 1990's, Endless Energy Corporation evaluated many potential wind farm sites around Maine and concluded that Redington Mountain and Black Nubble best met LURC's requirements for locating new development 1) adjacent to existing development, 2) on the fringe of its jurisdiction, and 3) near service centers. The reason for these rules, of course, is to protect the core of LURC's jurisdiction from unplanned development. The Redington site meets these and other LURC criteria. (Interestingly, locating a project near existing development also means that more vocal opponents are likely to surface. If LURC commissioners base decisions on the amount of opposition, they will end up contradicting their own rules.)

At the Sugarloaf and Saddleback resorts, there are over 1,800 acres of total developed land to date and more coming. Putting a 300-acre wind farm half way between Maine's two highest resorts is a logical way of locating this type of project. The 300 acres is equal to less than half of the developed trails on Sugarloaf and less than one quarter of the total skiable acres. The resorts are located in the region for the same reason we are—high elevation terrain with nearby roads and power lines. Our site is in the working forest and has an existing network of logging roads up to and part way up the mountains. We're so close to the fringe that, if our turbines fell over, some would be in Carrabassett Valley. Heavy machine gun fire from the adjacent Navy base is a common sound. The site is very hard to see as well—during clear weather it is only visible from less than 5 percent of land in a 15 mile radius and then mostly as a background view.

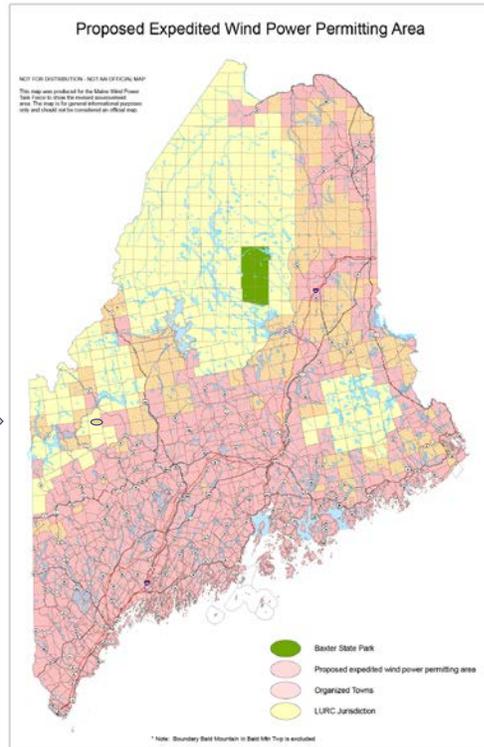
In short, the Redington site is one of the few locations within LURC's jurisdiction that has strong winds, existing infrastructure and a location at the fringe of LURC jurisdiction. Most other high wind areas are not on the fringe and would require significantly more clearing through undeveloped core LURC territory for transmission lines and/or roads. This is illustrated in the following bar chart.



While Redington is visible from the ski areas and the Appalachian Trail, the skiers, hikers, local residents, hunters, and snowmobilers that use the area are strongly supportive. (See attached surveys.) According to the following LURC map, in addition to Redington, there are several other sites near the AT being considered for wind farms. (Redington is listed under "Maine Mountain Power, the joint development company formed with a large investor.)



Redington
Township met
adjacency
requirements.
Annexation
can fix
problem.



www.endle.com

When the Redington project was being reviewed, there were no operating wind farms in Maine. Now that there are several wind farms, this site can be evaluated in context. We believe its many advantages will be clear. For example, there won't be noise concerns as the nearest house is on the order of four miles away. Views by hikers from over two miles away can be compared to views of existing projects.

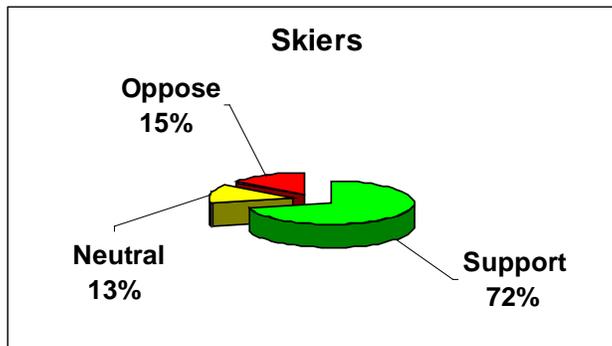
Exhibit #2

Excerpt from August, 2007 testimony

Public Opinion Surveys and Results

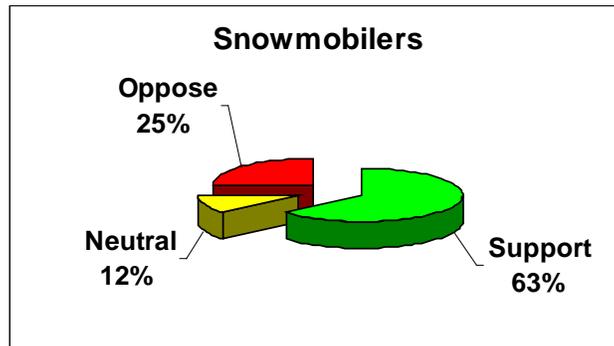
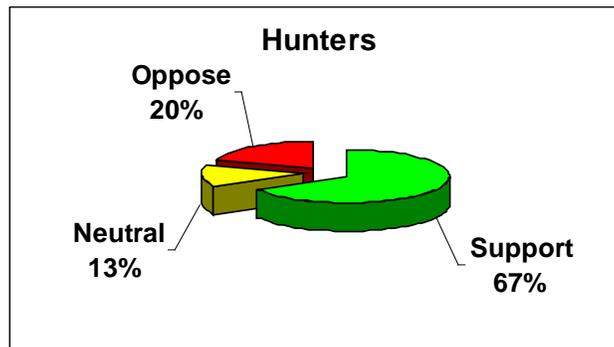
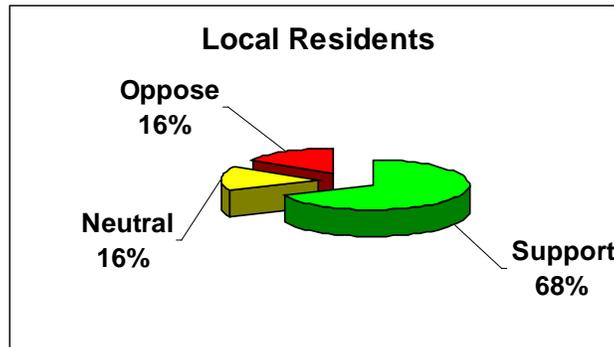
In evaluating the “no undue adverse impact” and “fitting harmoniously” standards, MMP suggests that the Commission also consider public opinion. We believe that Mainers’ nine-to-one public support for the project indicates that the project more than meets these criteria.

The majority of the public supports the project. Beginning in 1994, Redington Mountain Windpower (and later MMP) commissioned public opinion surveys to gauge support for the proposed wind farm. Skiers, who, by far, will constitute the largest group of mid-distance viewers of the project were strongly supportive (note, survey data are for a Redington/Black Nubble combined project):¹



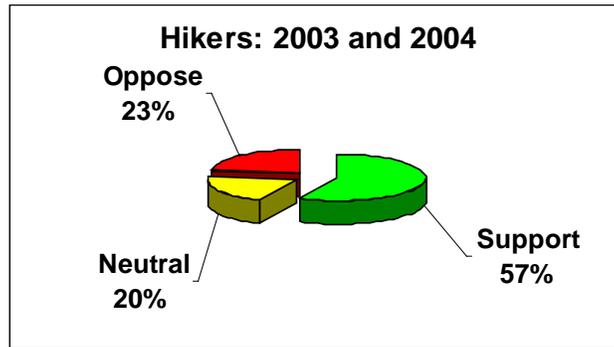
¹ These results reflect the percentages of those who responded to the survey questions; they do not include individuals who did not respond.

Locals, hunters, and snowmobilers, also were supportive:

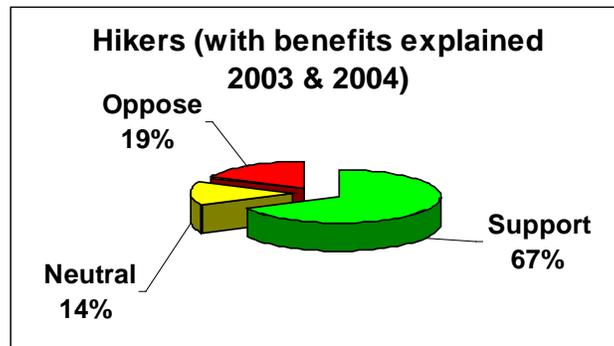


Overall, 75 to 84% of locals, skiers, hunters and snowmobilers gave the project a neutral or positive rating. This high level of support usually only occurs after a wind farm is up and running. (According to a survey done by Jim Palmer, LURC's visual expert, the Searsburg Vermont wind farm was supported by a two to one margin before it was built; once operating, the support rose to five to one. Half of the opponents became supporters.)

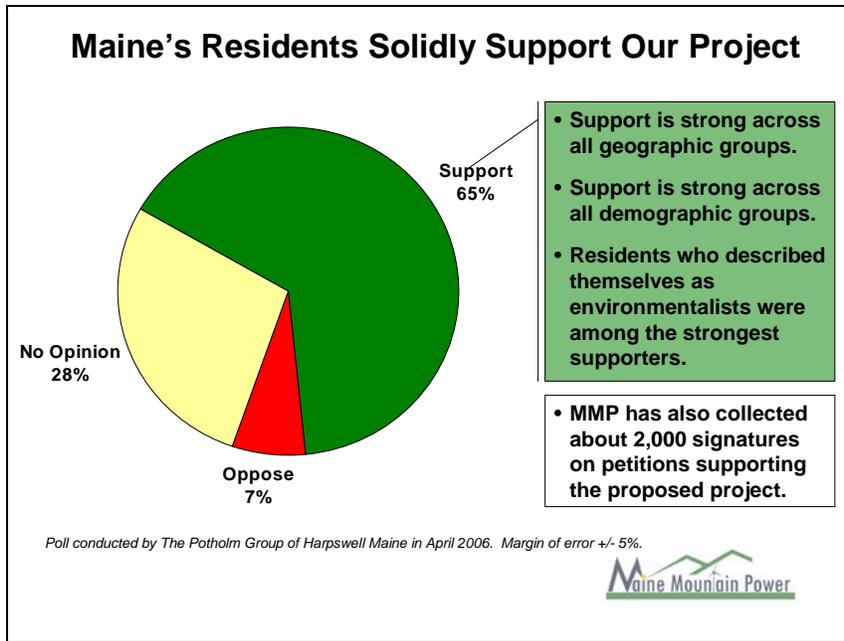
In the 2003/2004 surveys, 77% of hikers responding were supportive or neutral.



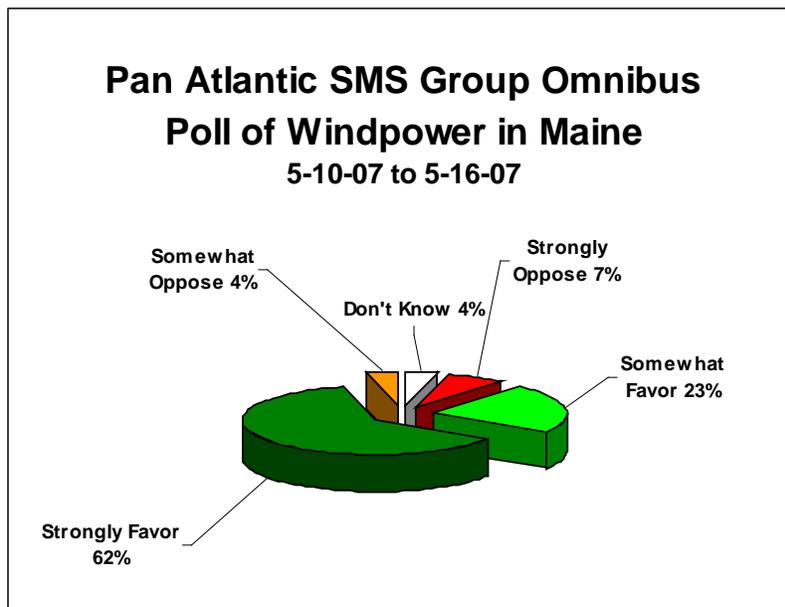
Interestingly, when the benefits of the project were explained — the amount of electricity to be generated, the amount of oil that would be needed to generate the same amount of power, and the pollution prevented — support increased further.



In 2006, MMP commissioned the Potholm Group to conduct an independent statewide survey to determine the level of support for the wind farm. **The survey revealed that for every opponent, there are nine supporters in Maine.**



Finally, a statewide poll independently conducted in May of 2007 showed very strong support for wind farms in LURC jurisdiction.²



² The question in the 2007 survey was:

The Maine Land Use Regulation Commission is considering several multi-million dollar proposals for wind development projects in the Unorganized Territories of Maine. Supporters say that wind development is good for Maine because it promotes renewable energy. Opponents say that the wind development projects will be bad for Maine because they may negatively impact Maine's landscape. Do you favor or oppose the development of wind power projects in Maine? Is that strongly or somewhat favor/oppose?_

All of these data clearly show that the majority of the hikers, skiers, recreational users and Maine residents throughout the State support wind farms in general and the [Redington Wind Farm] in particular. The surveys demonstrate that the majority of the public does not consider the impact of the wind farm to be excessive or undue, and that as a whole, the benefits of the project outweigh its impacts. Despite a very vocal group of opponents, these public opinion polls demonstrate that the substantial majority of hikers, skiers and Maine residence support the wind farm and believe it will fit harmoniously in the environment.

Exhibit #3:
Later poll results

Maine Biz Survey Results 1-21-08

Maine Biz asked readers of The Daily if they thought the need to pursue alternative energy sources outweighs the concerns cited by the Land Use Regulation Commission in its decision this week to deny a wind farm proposed in western Maine. LURC said the plan would harm rare plant and animal species and spoil views from the Appalachian Trail.

81.5% of respondents said the need for alternative energy sources outweighs LURC's concerns

10.4% of respondents said the need for alternative energy sources does not outweigh LURC's concerns

8.1% of respondents were undecided

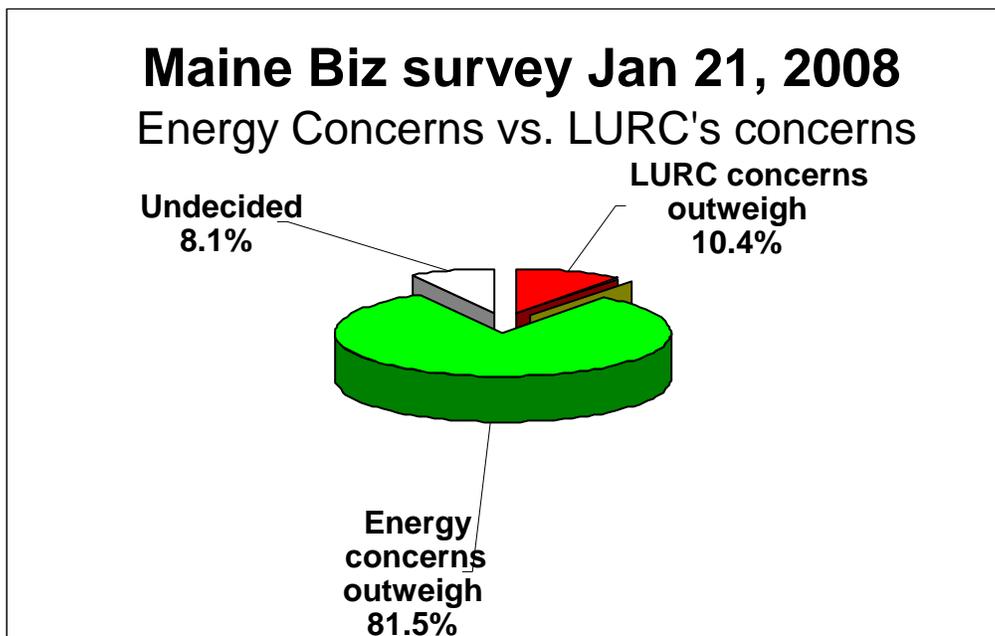


Exhibit #4:
Photographs and simulation



Photo of a Vestas V90 in Montaigne environment.



View of Redington project from the Sugarloaf ski resort. Turbines are 3.8 to 7.8 miles away. (The large clear cut has regrown since the photo was taken and other areas have been cut.)

Exhibit #5:

LURC Deliberations 1/14/08 Maine Mountain Power

Commissioner: Concerned about financial capability

Response: Edison made a commitment to finance the project subject to board approval which is usual and customary. Edison was a \$34 billion company with a large portfolio of wind farms in operation and more in construction. It was much larger than the other two companies behind the approved Maine projects and had already made a very large up front investment in the project. LURC staff was comfortable with MMP's financial capability.

Two commissioners questioned MMP's power output estimates.

Response: MMP's estimate for output per turbine on Black Nubble was 3% below Kibby's estimate using identical wind turbines. MMP's Black Nubble expected capacity factor was 30.0%; Kibby: 30.9%; Stetson: 33.0% (Redington/Black Nubble combined 33.0%). We do not recall the Commissioners questioning the output estimates of the other projects. The final LURC approval for Stetson does require a report on output/contribution to the grid and LURC simply could have asked the same of MMP.

Commissioner: testimony is so contradictory that "it's a wash". Another commissioner stated that he didn't know what to do with conflicting testimony on scenic impact. He stated "Do we reject conflicting assessments? . . . Is that conflict unresolvable?"

Response: The problem is that there will always be conflicting testimony in any high profile project and if the Commission is unable to weigh testimony that has an opposing view, it cannot do its job. Commissioners must judge testimony in terms of credibility and decide whom to believe. Commissioners should have, but did not, rely on sister agencies and experts like the MPUC, IF&W and Dave Roque. The LURC staff was able to do this successfully.

Commissioner: Putting something on a ridgeline has more impact than the side of a mountain...it flies in the face of harmonious and no undue adverse impact.

Response: This same commissioner voted for two other mountain ridge wind farms.

Some commissioners described concerns about road building. One commissioner said that, although the state soils scientist was satisfied with the road design, she attributed more weight to his initial concerns. This is the same statement she had made a year before. Another commissioner stated that this was a

challenging engineering project and high risk. First commissioner stated that there were significant slope issues - 33-55% slopes which needed a lot of cutting and filling to get to 10-15% grade roads.

Response: Our engineers worked with the state soils scientist to design roads that met his needs. Kibby, which the state soils scientist testified had very similar terrain and soils, followed suit. The Commission seemed to think that David Rocque, the Maine State Soils Scientist, had a different level of comfort with the Black Nubble and Kibby projects. While one commissioner characterized our project as high risk in our proceeding, in the Kibby proceeding, one of the Commissioners indicated that David Rocque was more comfortable with the soils issues in the Kibby project. That is entirely inaccurate. David Rocque made it absolutely clear that the Black Nubble and Kibby had exactly the same soil conditions and the same terrain/slope challenges. He also made it clear that through proper design, which he blessed in our project and in Kibby, those challenges could be surmounted. However, what was characterized as "high risk" and a source of concern in our deliberations was barely addressed and then dismissed in the Kibby proceedings. With respect to slopes - while it is true that there are steep slopes on Black Nubble (as it is a high elevation mountain) - the roads were carefully designed to traverse these slopes horizontally in switch back fashion and were designed to only go up the mountain in the less steep areas - to make sure that cutting and filling was minimized and to ensure that the roads were not steep. David Rocque walked many of the roads and approved the design. This was not recognized by Commissioner or pointed out by anyone during deliberations - instead the steep slopes alarm sounded originally by Audubon/Maine Appalachian Trail Club and revoiced by a commissioner during deliberations, was left unchecked and uncorrected. Furthermore, and importantly, Kibby has exactly the same slope grades on its project, and the slopes were not even deliberated upon or mentioned in that deliberation during the afternoon - as if it were no concern at all. LURC staff was comfortable with MMP's road plans.

Commissioner: I thought the application was sloppy

Response: We're offended by this comment. Our 2,000 page application was painstakingly put together by the best team Maine offers, working closely with state regulators to be responsive to their needs. We met with wildlife regulators and Maine Audubon before, during, and after our studies. The Maine IF&W agency praised both our openness and willingness to work with them and concluded that the project would have no undue impacts. Commissioners chose to ignore them. Had all the commissioners attended the entire public hearing, they would have had more opportunity to ask questions and hear rebuttals of all testimony. Black Nubble was held to a higher standard than the other applications LURC has thus far considered. The Kibby project received NO discussion about wildlife/environmental impact, even though it has far greater wetland impact and impact to rare/threatened plant species. The LURC staffer who wrote the original approval is a biologist and was able to sort through competing claims and got her myriad of questions answered to her satisfaction.

Commissioner: Questioned the hiker survey; thought questions were not clear.

Response: As described in the record, to ensure credibility of the survey, Endless Energy worked with the trail groups to develop the questions and make sure they were relevant and clear. After finding that hikers supported the proposed Redington/Black Nubble project as much as other local groups in the fall of 2003, we even repeated the survey again in the summer of 2004 just to be completely confident in the results. It had the same result: hikers overwhelmingly support the project.

Commissioner: It seems the public is pretty split and depended on where you lived

Response: Our state wide survey, conducted by the Potholm Group, shows **9:1 public support**. The support was not just from people living distant from the project, as Commissioner suggested. Our local surveys also show very strong support. Supporters included Marcia White from Sugarloaf area, John Diller (President of Sugarloaf), Carrabassett Valley selectman Lloyd Cutler, owner of the Kingfield Inn, and many others. Support was similar to Kibby's. An almost identical number of supporters and opponents—many of the same people actually—showed up for the Black Nubble and Kibby hearings.

Decommissioning: There was much discussion about having financing available for decommissioning. For example one commissioner: Given these questions that I have over financial capacity. It also makes me I think a little more sensitive to the issue of decommissioning and I don't see, perhaps I'm wrong but I don't see in the record. The applicant, other than saying that the salvage value of the turbines is sufficient to cover the costs of decommissioning. I think what we have done, at least in one previous instance. And I had assumed we would probably require in others a specific decommissioning fund. Some source or guaran... actual source or guarantee of funding for decommissioning. #2: I do also have concerns about the decommissioning. #3: I guess the only 2 areas I have are decommissioning. How important is it when you don't have any money in the beginning to commission? I don't know. Perhaps not be in this process. Commissioner: I have no realistic possibility of even bringing that project to fruition because I don't have the resources. So I, Those are my concerns. I guess and particularly again the other book end to that is decommissioning. If there is some, it seems to me, we really need to pay attention to what if we get up there and it isn't merely a matter. This is one of the things that can turn you. We've talked about, you know, you're talking about essentially reengineering the top of a mountain. Decommissioning isn't merely a matter of removing the turbines. I hate to suggest that salvage costs of removing those turbines are going to be sufficient to mitigate for the engineering aspects of the projects. Either naïve or just not. This isn't a fair representation.

Response: Edison made a full corporate guarantee to provide funding for decommissioning. In the Stetson project—developed by a much smaller company—the Commission simply put in a condition in its preliminary approval that was addressed in Stetson's final application. MMP's significant corporate guarantee from a large company was completely missed and, even if decommissioning had not been addressed in the application, the Commissioners could have simply made it a condition of the final permit. The original LURC staff recommendation did just that.

Commissioner kept making the point that you can add all of the small problems that she saw with the project together to reject the whole project (despite the fact that we had extensive evidence about how the project satisfied each individual criteria) because the CLUP referred to "cumulative impacts" 9 times. She also made the point that the Commission is able to look at the project in the larger context of other projects and Maine, as opposed to just evaluating the project on the criteria explicitly laid out in the CLUP and the Chapter 10 standards because "Area" was used "612 times" in the CLUP.

Response: There is no cumulative impact standard or ability to assess the project in light of approving two other wind projects (Stetson and Kibby) in the standards. The criteria laid out in the CLUP are for determining whether that particular project satisfies the standards. The fact that they had just approved Stetson or had Kibby on the table in the afternoon should not have been part of the analysis - though it clearly was. We introduced substantial, credible evidence that the BNWF project did meet the standards set out by the statutes, the CLUP and Chapter 10. Commissioner then discounted all of this substantial, credible evidence and created new standards by counting the number of times words or phrases appeared in the CLUP - ALL QUANTITY - with no qualitative assessment of where and in what context those words were used. It was like a math problem, not an analysis. LURC staff, after literally years of working with the applicant and carefully analyzing the whole record, recommended approval of the original two-mountain project.

Commissioner: The methodology used for the visual assessment did not, was not one that is used in a normal, it doesn't follow any standard protocol.

Response: The visual impact assessment, done by the highly respected firm of Terrance DeWan and Associates, used the DEP methodology and was the same methodology used by TD&A in the Stetson project, which the Commissioners approved.

Had we been able to speak at the LURC deliberations—even only to point out where in the record information could be found—we could have pointed out facts that might have better informed the discussions. Unfortunately the staff was questioned very little and parties were not allowed to speak at all.

The governor made the right move in assembling a Wind Energy Task Force to review Maine's permitting process.

Exhibit #6:

Excerpt: Report of the Governor's Task Force on Wind Power Development February 14, 2008

EEC would like to be given the same opportunity to apply for permits that other projects have enjoyed. We believe this \$180 to \$200 million project should not be penalized for being the first wind farm reviewed by LURC under a process that was found to be seriously flawed.

II. Permitting Grid-Scale Wind Power Projects

The principal issue focused on by the Wind Power Task Force has been determining how Maine's process for licensing wind power projects could be made more rational and streamlined. This focus is related to the first of the Governor's objectives in creating the Task Force – that is, making Maine a leader in wind power development. Grid-scale wind power projects are considered by the Task Force to be projects which are large enough to trigger the Site Location of Development Act. In general terms, the Site Law trigger for wind power projects is the creation of at least three acres of what are termed "impervious surfaces," which consist of rooftops, roads, parking areas, turbine sites, and other similar areas not revegetated after being stripped of vegetation, or development of an area 20 acres or more in size. As used in this report, the term "grid-scale wind power project" includes, in addition to generating facilities (turbines), transmission lines, together with all associated equipment and facilities, that are constructed solely for the purpose of electrically and physically interconnecting the generating facilities to the transmission system (i.e., the power grid). To put this issue of wind power siting in its historical context, Maine's regulatory system was initially developed almost 40 years ago, long before grid-scale wind power projects were a consideration. Therefore, it should come as no surprise that the regulatory system was not set up with modern wind power projects in mind.

The Problems Identified

The Wind Power Task Force has identified the following problems with Maine's process for licensing or permitting wind power projects:

- **Confusion over the benefits of wind power development.** Wind power displaces electricity generated from fossil fuels and reduces emissions of atmospheric greenhouse gases and a variety of other pollutants (SO_x, NO_x, mercury, etc.). However, because backup plants, many of which burn fossil fuels, are needed for when wind velocities are low, there has been some confusion among both the public and decision-makers over whether and the degree to which these benefits really exist. This confusion needs to be clarified dispositively so that the regulatory

process can focus on real environmental issues.

- **Maine's current regulatory approach does not recognize the benefits of wind power.** As stated above, Wind power projects provide positive environmental benefits by displacing fossil fuels and avoiding emissions of atmospheric greenhouse gases and a variety of other pollutants (SO_x, NO_x, mercury, etc.). However, Maine's regulatory processes for evaluating and reaching decisions on permits for development projects have not been designed to consider such benefits. Although an explicit "balancing" of project benefits with project impacts is not proposed, the benefits of wind power should be taken into account in designing an appropriate regulatory process as proposed herein.

- **The requirement that projects fit harmoniously with the natural environment.** The Site Location of Development Act, which provides for the principal but not the exclusive state land use approval typically needed to site a wind energy project in the organized portions of Maine, includes a requirement that the project be found to fit harmoniously with the natural environment from scenic, as well as other, perspectives. (See 38 MRSA § 484, sub-§3. LURC's standards for review of proposed development, including wind energy projects, and LURC's rules regarding rezoning to a planned development subdistrict, contain a comparable requirement.) (See 12 MRSA § 685-B, sub-§4; LURC rules chapter 10.24[3]). However, grid-scale wind power projects are, in many cases, highly visible features of the landscapes where they occur as they consist of multiple turbines, often on or near a ridge line, and transmission lines to hook the power produced into Maine's electrical grid. As a result, in the view of the Task Force, **this test, as it concerns potential effects on scenic resources, is inappropriate for grid-scale wind power projects.** Clarification of how this standard applies to evaluation of the potential effects of wind power projects on scenic resources, or replacement of this standard with an alternative wind power-specific standard, is therefore advisable.

- **LURC's rezoning criteria.** For LURC's High Mountain Area Protection Districts (established for all areas above 2,700 feet), the Commission requires proof that the rezoning to a planned development subdistrict would provide "substantially equivalent protection" compared to that provided by the existing High Mountain Area Protection District (P-MA subdistrict). High Mountain Area Protection Subdistricts were designed to protect fragile mountain environments. **While logging, ski area facilities (which by necessity must occur in mountain areas), roads and utility facilities are allowed in the P-MA zone subject to permitting, wind power development is not allowed in the P-MA subdistrict, or any other LURC protection subdistrict. A requirement that an applicant seeking rezoning for a planned development subdistrict demonstrate that a string of turbines, roads and transmission lines provides a substantially equivalent level of environmental protection to that provided under a P-MA zone is, in the judgment of the Task Force, inappropriate.** Further, while LURC's findings and rulings in these regards are due deference, they have not been tested in the courts, and future Commissions could interpret these

standards differently than the current Commission. Lastly, LURC's rezoning criteria also include a requirement that the developers show that they have chosen the "best available site." This requirement applies in both High Mountain Protection Area Districts and in other districts as well. Again, while LURC is due deference, there may be broad differences in interpretation of this standard. Clarification of this standard as it relates to wind power is therefore advisable.

- **Rezoning currently occurs entirely in reaction to development plans.** At the present time, rezoning for wind power development occurs only in response to applications from developers. The 1997 Comprehensive Land Use Plan called for creation of a statewide plan for wind power development, but such a plan has not been done. More recently, state agencies attempted to create siting guidelines for wind power projects, but the resulting document is very general and not likely to result in significant guidance to developers (Maine Department of Environmental Protection 2005). **A more comprehensive approach is needed that helps guide wind power development proposals, based on general compatibility with existing land uses.**

- **Limited energy expertise among the members of LURC and BEP.** Members of LURC and BEP have traditionally been chosen based upon their expertise regarding environmental and natural resources, as opposed to energy-related, issues. **Decisions on wind power projects are highly complex and informed decisions require considerable knowledge of energy systems, energy markets, transmission line systems, and the relationship of wind power projects to them. Regulatory experience reviewing wind power projects has demonstrated the importance of having such expertise represented on decision-making bodies.**

- **Lack of resources for permit processing and delays in permit processing.** The state agencies which process the relevant permits, LURC and BEP, can require substantial review periods, particularly when one of these volunteer, citizen boards has several pending projects which are highly complex. This has been a particular issue with LURC, which is currently dealing with Plum Creek's proposal for a large-scale Lake Concept Plan, as well as several wind power projects. Given the nature of volunteer citizen boards, adjudicatory procedures, and the uneven nature of the flow of major projects, it is difficult for boards to meet all of their obligations in a timely manner. For example, adjudicatory hearings typically require three to five days and these proceedings are in addition to board or commission meetings on other topics. Further, the demands placed on these boards increasingly require specialized expertise. Providing these resources, as well as the staffing required for presentations and the preparation of board orders, is particularly challenging given the State of Maine's current budgetary situation. **As a result, complex projects, not necessarily just wind power projects, can face delays largely due to a backlog of projects or the complex, unfamiliar issues they raise.** Such delays are costly to the applicants and discourage wind power development in Maine.

- **Differences in processes between the agencies.** While very similar in the issues that they address in reaching siting decisions, agency processes differ in some regards, both because their mandates differ and because they have evolved independently. As a result, similar projects potentially can be subject to different state-level review standards and timeframes depending on whether they are located in the unorganized territories or not. Further, some projects occur in the jurisdictions of both DEP and LURC, and these differences in processes can be particularly confusing or frustrating to wind developers and counterproductive in achieving timely consideration of these projects. When considering this issue, it is important to recognize that there is a fundamental difference in the mandates of DEP and LURC which results in confusion in understanding the regulatory requirements of these agencies. DEP is an environmental permitting agency ("siting"), while LURC must also determine the appropriateness of locating major projects in specific areas ("zoning") before it even gets to the siting criteria.

- **Lack of clarity on some regulatory issues.** In the case of a few issues, wind power projects have specific characteristics which are different than those of other types of development projects. For example, in the case of wind power projects, it is particularly important to understand impacts on birds and bats and how noise from a variety of components of wind power projects can affect people living and working in the vicinity. Further, as explained above, because their requirements have evolved largely independently, there are some differences between the specific approaches taken to such regulatory issues by LURC and DEP. DEP has very specific rules and standards that have developed over almost 40 years for the types of development it has regulated under the Site Location of Development Act and Natural Resources Protection Act. The standards that govern LURC's rezoning decisions are, by their nature and purpose, not comparably detailed and the Task Force heard testimony that they are inherently less predictable, making it difficult to justify the multi-year investment in investigations and site acquisition to determine whether or not development of any given site is cost-effective enough to submit it for permitting. These regulatory differences and lack of clarity on some issues have led to confusion or frustration among developers, lack of regulatory predictability, and inefficiencies.