

**RECORD OF DECISION**  
For the  
**COYOTE WIND PROJECT**

**COYOTE WIND, LLC**  
**SWEET GRASS COUNTY, MONTANA**

**December 2009**



**State of Montana**  
**Montana Department of Natural Resources and Conservation**  
**Southern Land Office**  
**1371 Rimtop Drive**  
**Billings, MT 59105-1978**

DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION



BRIAN SCHWEITZER, GOVERNOR

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AIRPORT INDUSTRIAL PARK  
1371 RIMTOP DRIVE  
BILLINGS, MONTANA 59105-1978

December 1, 2009

Dear Interested Party,

The Montana Department of Natural Resources and Conservation (DNRC) announces today that a Record of Decision (ROD) has been completed granting approval for up to 8 wind turbines to be placed on state-owned school Trust land. The Trust land is located approximately 3 miles northeast of Springdale, MT in Sweet Grass County and described as Section 36-T1N-R12E.

The Coyote Wind Project proposes 36 turbines generating 64.8 megawatts (MW) on private land and 8 wind turbines generating 14.4 MW on state-owned school Trust land. Initial construction may begin as early as 2010.

On August 10, 2009, the DNRC issued a draft EIS and collected public comments until September 11, 2009. After receiving 177 written and oral comments from 21 citizens, the DNRC concluded that the issues raised did not require additional scientific analysis and moved to adopt the draft EIS, with warranted changes and amendments, as the Final EIS on November 13, 2009, as permitted by Administrative Rules of Montana (ARM) 36.2.530.

Questions regarding the Record of Decision may be directed to Richard Moore at the DNRC Southern Land Office at [ramoore@mt.gov](mailto:ramoore@mt.gov) or 406-247-4401.

A handwritten signature in blue ink that reads "Richard A. Moore".

Richard A. Moore

**MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**

**TRUST LAND MANAGEMENT DIVISION, SOUTHERN LAND OFFICE**

**COYOTE WIND PROJECT RECORD OF DECISION**

**Introduction and background**

The Montana Department of Natural Resources (DNRC) has considered a Coyote Wind, LLC proposal to enter into a lease agreement to construct, maintain, and operate a wind energy facility on State School Trust land in Section 36-T1N-R12E in Sweet Grass County. The Coyote Wind Project (Project) involves 640 acres of School Trust land proposed to be utilized in conjunction with 2400 acres of private lands, to produce up to 79.2 megawatts (MW) of electricity.

Coyote Wind, LLC, is owned by Enerfin Energy Company (95%) and Alternity Wind Power (5%). Enerfin has an office located in Portland, Oregon and Alternity Wind Power is based in South Plainfield, New Jersey. The DNRC conducted a competitive bid process in 2005 to award wind energy development rights for the subject State School Trust lands to Coyote Wind, LLC.

In order to evaluate the environmental impacts of the wind energy project, the DNRC has conducted an Environmental Impact Statement pursuant to the Montana Environmental Policy Act, Title 75, Chapter 1, MCA. This project was initially publically scoped on May 12, 2008 and a public meeting was held on May 29, 2008 in Big Timber, Montana. The DNRC issued a draft environmental impact statement (DEIS) August 10, 2009 and collected public comment until September 11, 2009. 177 written or verbal comments from 21 people were received in response to the DEIS. The DNRC concluded that the issues raised in these comments did not require new scientific analysis and the DEIS, with some corrections and additions, has been adopted as the final environmental impact statement (FEIS) pursuant to the Administrative Rules of Montana, 36.2.530.

**Location**

The Project would be located on approximately 3040 acres of private and State land in south central Montana approximately 11 miles southwest of Big Timber, Montana, one of the windiest areas of the state. The general area is characterized by open rangeland with rolling hills in a rural landscape of dry grasslands, dry land farming, and grazing land. The State land is considered a mid to short grass prairie dominated by needle and thread grass, wheat grasses, and Wyoming big sage. The overall population density in the area is low with few dwellings in the vicinity of the project site. Land use in the area consists of ranching and farming on privately-owned land and on State School Trust land managed by DNRC.

## **Alternatives Considered**

There were two alternatives analyzed for this project:

### **No Action Alternative**

Under the No Action alternative, DNRC would not issue a lease to Coyote Wind for the development of wind energy on the state parcel. Land use on the state parcel would continue as is. There would be no wind turbines on the state parcel, however the wind project on the adjacent private land would continue. The state land trust beneficiary, the Common Schools Trust, would generate no revenue from wind development.

### **Proposed Action Alternative**

Under the Proposed Action alternative, DNRC would enter into a commercial lease with Coyote Wind. Eight wind turbines would be installed on the western and central portions of the parcel. These locations were chosen to maximize the robust wind resource in unobstructed locations, including maximizing the energy capture and minimizing the wake and losses caused by the array of turbines on the parcel.

The major proposed infrastructure improvements on the state parcel would include:

- roads
- wind turbine foundations
- underground electrical collection system

The state parcel would be accessed via Interstate 90 and county roads. Access to turbines located on the parcel would be achieved via a primary graveled access road with branches to the individual turbine locations. The wind turbines planned for the site are manufactured by Vestas and are the V90-1.8 MW model. The capacity of the Project on the State parcel is 14.4 MW. The power produced would connect to the transmission system through the Lower Duck Creek Sub-Station and NorthWestern Energy's Big Timber-Clyde Park transmission line.

The Project would begin construction in 2010 or 2011. The basic infrastructure, including roads and turbine foundations would be constructed first, then the wind turbines would be erected with the expectation the Project would come on line by 2012. The Project would be in operation 24 hours per day, 365 days per year unless off-line for maintenance due to malfunction. The expected life of the Project is approximately 20 years. At the end of this period, DNRC and Coyote Wind may choose to renew or extend the lease agreement in which case the equipment would likely be upgraded. If the lease is not renewed, Coyote Wind would decommission the Project, remove the turbines and the associated infrastructure, and reclaim and restore the site as closely as possible to its natural state.

## **Project Objectives**

As described in the EIS and similar to previous comparable wind energy projects on State land, the following project objectives were utilized to evaluate the alternatives described above.

**Objective #1:** Lease the right to use the State land for the production of wind energy and to generate an additional fair market value monetary return to the common school trust.

**Objective #2:** Achieve commercial operation of wind projects with minimal impacts to the environment; manage the State land for long-term natural resource conservation characterized by a healthy native plant and wildlife community.

### **Attainment of Project Objective #1**

Lease the right to use the State land for the production of wind energy and to generate an additional fair market value monetary return to the common school trust.

### **No Action Alternative**

Under this alternative, the DNRC would not issue a lease for the construction and operation of a wind energy project. No additional revenue would be generated for the common school trust and this objective would not be achieved. No energy would be obtained from a non-polluting source; the DNRC would have no authority to require mitigations or conditions for construction and operation of the facility. Objective 1 would not be achieved through selection of the No Action Alternative.

### **Proposed Action Alternative: Wind Turbines on State Land**

Execution of a commercial lease to allow construction and operation of a wind farm would result in initial installation revenue of \$14,400 (\$1000/MW of installed capacity). Additional annual revenues would be a minimum of \$21,600 (8 turbines @ 1.8MW/turbine = 14.4MW x \$1500/MW = \$21,600), or 3% of gross annual revenues, whichever is greater, for the common school trust. Objective #1 would be achieved through selection of the Proposed Action Alternative.

### **Attainment of Project Objective #2**

Achieve commercial operation of wind projects with minimal impacts to the environment; manage the State land for long-term natural resource conservation characterized by a healthy native plant and wildlife community.

## **No Action Alternative**

Under the No Action Alternative, wind energy development would not occur on State land. The State land would remain characterized by healthy native plant communities and healthy wildlife populations. DNRC could not require wind energy project construction, operation conditions, or mitigations.

Objective #2 would be achieved through selection of the No Action alternative.

## **Proposed Action Alternative: Wind Turbines on State Land**

Under this alternative, State land would be developed for the production of wind energy. Placement of up to 8 wind turbines and associated roads and underground electrical collection lines would eliminate approximately 6.4 acres of native short grass prairie within the 640 acres of State land. Approximately 99% of the range resources on state land would remain undisturbed by the project. Existing land use of livestock grazing would continue. A nominal amount of displacement of local plant and wildlife species would be expected due to the construction and operation of the wind farm.

Previous post construction mortality surveys on other wind farms have indicated that up to 4.62 birds and 13.4 bats per tower per year may be killed. Wind farm bird and bat mortality monitoring is an evolving science and improvements to survey protocols are ongoing. The monitoring data from this facility as well as other operating wind farms should lead to an improved ability to predict the effects of wind farm operation on bird and bats. Currently, data does not exist to estimate bat populations. Therefore, the scale of effect from 13.4 bat deaths per tower per year on bat populations is unknown. Selection of the Proposed Action Alternative allows DNRC to require the construction and operation mitigations and measures identified in the DEIS for wind energy project on the State land. Objective #2 would be achieved through selection of the Proposed Action Alternative.

## **Decision**

As Area Manager of the DNRC Southern Land Office, I select the Proposed Action Alternative, as described in the FEIS, with the mitigations listed below. The Proposed Action Alternative meets the purpose and objectives of the project. This alternative can be implemented in a manner that is consistent with the long-term sustainable natural resource management of the area and generating revenue for the common school trust. The proposed mitigations are adequate and feasible. The Proposed Action Alternative incorporates appropriate mitigations to adequately minimize adverse impacts to the human environment. A Technical Advisory Committee (TAC) will be formed to provide guidance and advice on bird and bat post-construction monitoring. The TAC will provide a forum for reviewing monitoring plans and data, facilitate collaboration among project stakeholders, make recommendations on the study protocol as well as changes to monitoring or mitigation, and address impacts that were unforeseen in the environmental impact studies, or that exceed

expected impacts. This committee will be in place for at least two years during the post mortality surveys.

DNRC will complete a lease agreement that includes the following mitigations with Coyote Wind, LLC to allow development of the State School Trust land in Section 36-T1N-R12E for placement of up to 8 wind turbines, possibly as early as 2010.

### **Mitigation Measures**

-Lessee will adhere to FAA regulations and standards regarding marking and lighting of turbines.

-An underground electrical collection system will be utilized on State land; all power lines will be buried.

-Lessee will perform at least two years of avian and bat post-construction monitoring as described in Appendix F of the DEIS. The Technical Advisory Committee will review avian and bat monitoring plans and data and provide guidance and advice on corrective action as necessary.

-Post appropriate signs to signify speed limits and other road signs for the safety for all vehicles and wildlife on roads.

-Any new fences built as part of the project will be wildlife friendly (a smooth top wire no more than 42” above the ground, and a minimum of 18” inches between ground and a smooth bottom wire).

-To lessen short-term visual resource impacts, vegetation disturbance, and the number of cuts and fills, new road construction shall be minimized as much as possible. All disturbed areas will be promptly seeded with a DNRC Southern Land Office approved native seed mix.

-Coyote Wind, LLC is responsible for weed control on the project area. Prior to entry of construction equipment on State land, all construction equipment will be power washed to avoid transporting noxious weed seed onto the State land. Coyote Wind, LLC will cooperate with county, state agencies, and adjacent private landowners interested in managing invasive weeds.

-The project turbines will be a flat gray or white, non-reflective color.

-Coyote Wind will submit a transportation plan to the Sweet Grass County and Park County (if Park County roads are utilized) Board of Commissioners. This plan must be approved by the County Commission(s) prior to commencement of construction on the State land and will detail any improvements necessary on existing County roads.

-A project decommissioning and reclamation plan and Performance Bond will be required to be submitted to the DNRC prior to construction activities. Any and all road culverts will be

removed; road prisms will be reshaped to its original contour should it facilitate better drainage and erosion control. All reclaimed areas will be promptly seeded with a DNRC Southern Land Office approved native seed mix.

-Turbine CT - 4 will be relocated so that it is at least 66 meters away from a riparian zone.

-All construction activities will occur during dry (non-saturated) or frozen soil conditions to minimize rutting and soil compaction.