

CHECKLIST ENVIRONMENTAL ASSESSMENT

RECEIVED

Project Name:	Coyote Wind, LLC Land Use License	MAR 29 2008
Proposed Implementation Date:	February 2008	
Proponent:	Coyote Wind, LLC	LEGISLATIVE ENVIRONMENTAL
Location:	Section 36, Township 1 North, Range 12 East (Common Schools Trust)	POLICY OFFICE
County:	Sweet Grass County	

I. TYPE AND PURPOSE OF ACTION

Coyote Wind, LLC is requesting a Land Use License (LUL) in relation to the proposed Springdale wind farm on Section 36, T1N, R12E in Sweet Grass County. This LUL allows DNRC to collect revenue from Coyote Wind while they perform data gathering on the site to confirm its feasibility as a wind generation site and/or to gather information necessary for a more comprehensive Environmental Assessment or Environmental Impact Statement for the contemplated wind farm. The proposed Land Use License would permit the following activities:

- Meteorological, avian and other environmental data gathering;
- Exclusive wind energy exploration rights; and
- Geotechnical investigations.

DNRC issued a Request for Proposals for a wind farm on this section in 2005 and Coyote Wind, LLC was the successful respondent. Coyote Wind, LLC submitted information for Phase II of the wind farm RFP process in 2006 and the project has been delayed since that time. DNRC received a request from Coyote Wind, LLC to resume the pursuit of a wind generation facility that would include the subject state section along with adjoining private land. The LUL discussed in this EA will provide compensation to the Trust while Coyote Wind, LLC collects additional information in anticipation of an EA/EIS for the wind farm. This EA is not intended to analyze the impacts of a wind farm. Its scope is limited to the three activities that will be granted with the issuance of the LUL.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

The Southern Land Office did not conduct any formal scoping for the project with the exception of discussions with the proponent and informal discussions with the grazing lessee regarding the proposed wind farm.

- Marty Wilde, Coyote Wind, LLC
- Rick Jarrett of Crazy Mountain Cattle Company, State grazing lessee

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

3. ALTERNATIVES CONSIDERED:

- **Proposed Alternative:** Issue a Land Use License to Coyote Wind, LLC to allow: meteorological, avian and other environmental data gathering; exclusive wind energy exploration rights; and geotechnical investigations.
- **No Action Alternative:** Deny the request by Coyote Wind, LLC to issue a Land Use License.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" if no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

The proposed Land Use License will permit, with prior approval from the Southern Land Office (SLO), Coyote Wind to perform geotechnical analysis that can be utilized in the wind farm EA/EIS. In addition, there is a possibility that one or more temporary towers will be erected to obtain more specific meteorological data from the site. These temporary towers are not structurally reliant on the underlying soils. Also, the LUL will require prior SLO approval before the placement of any tower(s) and a more specific review will be conducted at that time to ensure that there are no significant impacts.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

There is a small water reservoir in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of the section. The License will require that the Coyote Wind obtain prior written approval from the Southern Land Office (SLO) before engaging in activities such as erecting meteorological towers or obtaining soil borings and in this process SLO will ensure that there is no impact on water quality, quantity or distribution. If the location proposed by the licensee could have an adverse impact, the SLO will require measures to mitigate any anticipated impacts.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

No significant impact is expected to air quality if the proposed Land Use License is issued.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

A search of the Montana Natural Heritage Program database indicated that no plant species of concern are located on the subject section. The actual footprint of the areas that could be disturbed by the actions permitted in this LUL is relatively small. Additionally, the LUL will require that any area that is disturbed be rehabbed by the Licensee.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

No significant impacts to terrestrial, avian and aquatic life and habitats would occur as a result of implementing the proposed alternative.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

A search of the Montana Natural Heritage Program database indicated that no endangered, threatened or sensitive species are located on the subject section. However, it did indicate that this property is located within the "expected range" of the Gray Wolf, which is an endangered species. There have been no sightings of wolf in this area and the average territory for a wolf is 344 square miles. It is conceivable that a wolf could traverse this section; however, it would be unlikely that they would remain for any significant period of time.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

In September of 2005, the DNRC staff archaeologist completed an inventory of cultural and paleontological resources of Section 36, T1N R12E. No antiquities were identified during that inspection. It is anticipated that there should be no effect to heritage properties with the proposed wind energy generation exploration on the subject Trust land.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The proposed action would permit the temporary erection of one or more meteorological towers on the property. At this time, it is not known if such facilities will be placed on the property or not, however, if they are needed it is anticipated that they will be located on the property for less than one year. Also, there has previously been an anemometer on the property and it has not generated any comments to the Southern Land Office. No significant impacts are expected to aesthetics.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

No significant impacts to environmental resources of land, water, air or energy would occur as a result of implementing the proposed alternative.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

The purpose of this Land Use License is to allow further exploration on the property and to verify its wind energy generation potential. If the data gathering confirms the existing information on the site, Coyote Wind will be preparing an EA/EIS on the placement of wind turbines on the Trust land. This future action would require a more exhaustive analysis than is contained in this document and this document is not intended to take the place of this future environmental analysis.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" if no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No significant impacts to human health and safety would occur as a result of implementing the proposed alternative.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

The issuance of the proposed Land Use License will allow the licensee to conduct further data gathering and exploration related to a possible wind generation facility on the Trust land and adjoining private lands. No significant impacts to agricultural, industrial or commercial activities would occur as a result of issuing a Land Use License.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The implementation of the proposed action will not create any new jobs. The licensee will utilize existing employees and consultants to gather the necessary data. There is potential to create new jobs if Coyote Wind pursues a wind farm lease on the Trust land. This issue would be more fully analyzed in an EA/EIS for the wind farm. The proposed action would not have a significant impact on employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

No Impact. However, if the data gathered through the issuance of this LUL is positive, it could lead to the construction of a wind farm on the Trust land and adjoining private land. The tax revenue impact of this project would be more specifically analyzed in a separate future EA/EIS for that project.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

The implementation of the proposed alternative will not generate an increase in demand for government services.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Sweet Grass County does have an adopted Growth Policy that covers the entire County and the proposed alternative does not conflict with the Growth Policy. Also, the subject section has not been zoned by Sweet Grass County.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

The subject Trust land does not currently have legal public access. The ability for the general public to recreate on this tract would be limited to those persons who were able to obtain permission from the adjoining private landowners to cross their land and access the State section. The implementation of the proposed action will not have an adverse effect on the recreation or hunting activity on the section.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

The proposed alternative would have no adverse effect on density and distribution of population and housing.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposed alternative.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

The proposed alternative would not directly impact cultural uniqueness or diversity.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

The Common Schools Trust will benefit by getting a rental fee from Coyote Wind, LLC of \$960.00/year. This Land Use License would allow:

- Meteorological, avian and other environmental data gathering;
- Exclusive wind energy exploration rights; and
- Geotechnical investigations.

In addition to the current rental income that will be generated from the Land Use License, the data gathering will hopefully confirm and supplement the previous data obtained from the site and lead to the execution of a lease for a wind generation facility between DNRC and Coyote Wind, LLC. A lease of this type would generate significantly more revenue for the Trust than the LUL.

EA Checklist Prepared By:	Name: Jeff Bollman, AICP	Date: 12 February 2008
	Title: Area Planner, Southern Land Office	

V. FINDING

25. ALTERNATIVE SELECTED:

The proposed alternative has been selected and it is recommended that a Land Use License (LUL) be issued to Coyote Wind, LLC. This LUL would permit Coyote Wind to gather additional information and may lead to the execution of a lease between DNRC and Coyote Wind. Additionally, prior to the erection of any wind turbines on Trust land an EA/EIS will need to be completed that will analyze the potential environmental effects of a wind generation facility on the Trust land.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

No significant impacts are expected. The project will cause a minimal disturbance.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

EIS

More Detailed EA

No Further Analysis

EA Checklist Approved By:	Name: Richard A. Moore
	Title: Area Manager, Southern Land Office
Signature: <i>Richard A. Moore</i>	Date: 2/12/2008