

McCann Appraisal, LLC

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Greg Thomsen
BLM California Desert District Office
22835 Calle San Juan de Los Lagos
Moreno Valley, California 92553-9046
catulewind@blm.gov
Fax: (951) 697-5299

Iain Fisher
California Public Utilities Commission c/o Dudek
605 Third Street
Encinitas, California 92024
ecosub@dudek.com
Fax: (800) 371-8854

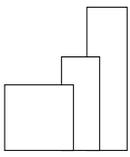
Re: Proposed "**Project**" in joint PUC/BLM Draft EIS / EIR
ECO / Boulevard Substation, Tule Wind and Energia Sierra Juarez (ESJ)
Gen-tie line to US/Mexico border.
&
Cumulative Projects include Campo Wind, Manzanita Wind and Jordan Wind
(Enel Jewel Valley Project)

Dear Messrs.' Thomsen and Fisher:

On behalf of Backcountry Against Dumps, The Protect Our Communities Foundation, East County Community Action and Donna Tisdale, I am submitting this real estate impact evaluation for your consideration and use in addressing the captioned wind energy projects. The scope of work and my professional opinions have been developed independently.

The Project is comprised of several wind turbine projects and related HVTL and substation infrastructure. Compliance of the proposed facilities with the County of San Diego Zoning Ordinance requirements for Major Use Permit(s) (MUP) has been evaluated from a real estate valuation and land use perspective, and I have also evaluated the combined projects pursuant to the issue of economic impacts, in consideration of EIR/EIS requirements.

My professional opinions are effective as of the current date, and my evaluation and this Consulting Report have been prepared and submitted pursuant to applicable licensing laws that mandate compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), and my opinions are certified accordingly.



Professional Opinions

Briefly stated, based upon my review of the proposed Project facilities, the Project does not comply with the County of San Diego Zoning Ordinance requirements for a MUP, as it is not compatible with adjacent and nearby residential uses and will have a harmful effect on the desirable character of the neighborhood. The Project will cause substantial diminution and injury to property values in the area, averaging approximately 25% as far as 2 to 3 miles, and with approximately 5% value loss from the nearest turbines out to as far as 5 miles. The basis for my professional opinions are described and summarized herein.

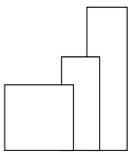
Further, the HVTL infrastructure and substation facilities will cause varying levels of value impairment, separate and apart from the impact of industrial scale (400-500 foot) turbines.

Also, in my opinion, the EIR/EIS is deficient with regard to addressing property value impacts, and identifies no measures to mitigate against value losses in the surrounding area, particularly for residential property. In the event that the Project is approved, it should be conditioned upon implementation of a Property Value Guarantee (PVG). From a property value perspective, and to mirror the criteria of the EIR/EIS, implementation of a PVG that leaves property owners economically “whole” would Change a Class I impact to a Class II. A Class III level of mitigation is not possible, as marketing times will still be impaired for properties with the most visible impairment of vistas and/or an increase in noise levels (audible and low frequency) beyond the level of “noticeable” to “nuisance”, or equivalent terms.

Finally, the reasonably foreseeable projects cited in the caption of this consulting report and described herein will cause a disproportionate and cumulative adverse impact on Boulevard, surrounding rural residential property, and the general Project area. The combined effect will be to surround and “blight” these residential uses and residents, and significantly expand the area of value impairment from the ECO / Boulevard Substation, Tule Wind and Energia Sierra Juarez (ESJ) Gen-tie line Project.

My specialized and unique experience with utility scale wind energy developments, as well as 30 years of real estate, land use evaluation and appraisal background has enabled and qualified me to evaluate whether the proposed Project meets the criteria described in the San Diego County Zoning Ordinance, the overall issue of economic impact, from a real estate and land use perspective, and the methodology that is appropriate for measuring property value damages from disamenities or environmental impairment.

My research continues, and I reserve the right to supplement my opinions at a later date, as may be warranted if the Project proceeds, testimony at hearing and/or in litigation becomes necessary. Other records considered in developing my opinions are retained in my work file for future reference.



Project Summary

Following review of Project documents and review of issues with the Boulevard Planning Group, the Project is summarized as follows:

Proposed Project in joint PUC/BLM Draft EIS / EIR includes ECO / Boulevard Substation, Tule Wind and Energia Sierra Juarez (ESJ) Gen-tie line to US/Mexico border. Full DEIR/EIS:

http://www.cpuc.ca.gov/environment/info/dudek/ecosub/ECO_Draft_EIR.htm

Project Description:

http://www.cpuc.ca.gov/environment/info/dudek/ecosub/Draft_EIR/B_ProjectDescription.pdf

Project Overview map at page 5 of link above.

Additional proposed projects whose impacts are analyzed at a qualitative program level include the Campo, Manzanita, and Jordan Wind projects. The entire impacted area is totally groundwater dependent.

The ECO Substation Project, as proposed by San Diego Gas & Electric, will be located east of the rural low income community of Jacumba CA 91934. It includes the following major components:

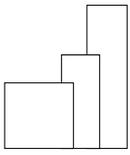
- Construction of a 500/230/138-kilovolt (kV) substation in Eastern San Diego County
- Construction of the Southwest Powerlink (SWPL) loop-in, a short loop-in of the existing SWPL transmission line to the proposed ECO Substation
- Construction of a 138 kV transmission line, approximately 13.3 miles in length, running between the proposed ECO Substation and the rebuilt Boulevard Substation
- Rebuild of the existing Boulevard Substation.

Linked source of information above:

http://www.cpuc.ca.gov/environment/info/dudek/ecosub/Draft_EIR/00-NoticeofAvailability.pdf

Additional ECO Substation details:

- 58 acres with 25 acres of additional cut and fill
- 15 X 30 120,000 gallon water tank
- 2 retention basins, 1.2 and 1.9 acres
- Microwave communication tower and backup generator
- Tallest structure 135'
- Approximately 1,500' from nearest property line
- A new custom off-the-grid home is less than 3,600 feet just north side of I-8, at base of Table Mountain, with a gorgeous view over the proposed 80 plus acre substation site and on into Baja where the ESJ turbines will be.
- Document / maps do not disclose proximity of multiple vacant private properties within 1 mile.



- 13.3 miles of new 138 kV transmission line to connect with new Boulevard Substation.
- 14 homes reportedly located within 500 feet of new 138 kV line (DEIR/EIS D.85 Noise)

" The ECO Substation will be designed so that it will ultimately be expanded to include the following components:

- Five 500 kV bays
- Nine 239 kV bays
- Nine 138 kV bays
- Four 500/230 transformer banks
- Three 230/128 kV transformer banks
- One or more 500 kV series capacitors
- Two 230 kV , 63 MVAR shunt capacitors
- Four 12 kV. 180 MVAR shunt reactor banks
- One 230 kV static VAR compensator

The maximum amount of oil required for the transformers at the ECO Substation will be approximately 569,800 gallons. There does not appear to be any indication of where all these new transmission lines will run through the neighboring rural communities.

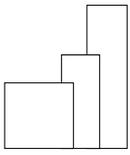
SDG&E's application states they planned to purchased approximately 6 parcels 500 acres of private undeveloped land in the In-Ko-Pah area. Source:

http://www.cpuc.ca.gov/environment/info/dudek/ECOSUB/SDG&E%20ECO%20Application_A0908003.pdf

The ECO Substation site appears to have been purchased. Large no trespassing signs have been erected in the area. Eminent domain was reportedly used to obtain several parcels.

Boulevard Substation:

- New 2-acre substation will be built on residential property immediately east of the existing substation.
- Currently designated 1 DU 4/8/20 acres and zoned S 92 Multiple Use. Pending General Plan Update will be rezoned as Semi-rural SR -10 1 DU/20, 20 acres.)
- Existing home and structures will be removed. Mature Oaks may be removed.
- 2 single family homes are located within 500-600 feet (DEIR/EIS D.85 Noise)
- Nearby homes are located south, west, north, and east of new site. (see current views at -14A Figure D.34 existing setting
:http://www.cpuc.ca.gov/environment/info/dudek/ecosub/Draft_EIR/D-3_VisualResources.pdf



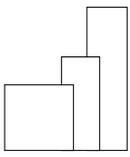
- About 50 homes are within about 1,500' of proposed substation and new 138 kV line as shown in Figure D.4-5c. More are out of site in the Calexico Lodge area across Old 80 to the Northwest.
- At least one known sensitive receptor, ill with cancer and suppressed immune system, lives less than 2,000 feet southwest of proposed substation. Their home is also about 750 feet from the SDG&E easement that is a potential route for two or more new 138 kV lines that will serve Campo and Manzanita Wind projects.
- Two steel poles 85' tall will be installed southwest of new substation
- Boulevard Expansion will allow for up to four generation tie-lines
- New 138 kV lines will come in from Jewel Valley to the south from ECO Substation
- New 138 kV lines will come in from the north from Tule Wind
- 2 New 138 kV lines will come in from the west along an unidentified SDG&E Easement (likely along the line that comes into the existing substation from the west) from unidentified new substation locations that will serve SDG&E's and Invenergy's proposed Campo and SDG&E's Manzanita Wind projects
- New 138 kV line will come in from the Jewel Valley area (south), from the Ribbonwood Road area (northwest), and potentially from the McCain Valley Road / Old Hwy Road area (northeast)

http://www.cpuc.ca.gov/environment/info/dudek/ECOSUB/SDG&E%20ECO%20Application_A0908003.pdf

Iberdrola Renewables 200 MW Tule Wind Project (Pacific Wind)

The proposed Tule Wind Project, consisting of up to 134 wind turbines in the 1.5 to 3.0–megawatt (MW) range generating up to 200 MW of electricity, would be located in the McCain Valley in southeastern San Diego County, California. In addition to wind turbines and associated generator step-up transformers, the Tule Wind MW Project would include the following components:

- Proposed for approximately 15,000 acres of public land, some private ranch land, tribal land and State Land Commissions Land near Boulevard.
- Closet homes and the Lark Canyon and Cottonwood Campgrounds are 900 feet or more from turbines, transmission lines and ancillary facilities (DEIR/EIS D.86 Noise)
- The residence of an elderly couple, Robert and Kathryn McCallister (APN 61103002 & 61107002 McCallister Robert & Kathryn Trust), will be about 2,000 feet east of turbines, and less than 1,000 feet west of both the proposed 500 kV Sunrise Powerlink and Tule Wind 138 kV line.
- A 34.5 kV overhead and underground collector cable system linking the wind turbines to the collector substation
- A 5-acre collector substation and a 5-acre operations and maintenance (O&M) facility
- Two meteorological towers and one sonic detecting and ranging (SODAR) unit
- A 138 kV overhead transmission line running south from the collector SG&E Boulevard Substation



- 36 miles of newly constructed access roads and temporarily widened and improved existing access roads.
- Turbines in J string on tribal land will be 100 feet from Sawtooth Wilderness Area
- 11 Turbines on private inholdings in R string, East of McCain Valley Road would be surrounded BLM In-Ko-Pah Area of Critical Environmental Concern
- Turbines will be located within McCain Valley National Cooperative Land and Wildlife Management Area and inside the Lark Canyon Off-Highway Vehicle Park.
- BLM lands were down-zoned from Visual Resource Management Class II to Class IV, in the 2008 Eastern San Diego Resource Management Plan revision, specifically to accommodate the Tule Wind project. That downzone is the subject of unresolved federal litigation.

For public safety, permanent fences would be erected around the collector substation, meteorological towers, O&M facility, and the equipment storage area

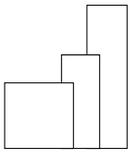
ESJ Gen-Tie Project (Sempra Generation)

- Approximate 10 acres of impacts
- Proposed by Energia Sierra Juarez U.S. Transmission, LLC, the ESJ Gen-Tie Project
- Capacity to import up to 1,250 MW of wind / energy generated in northern Baja
- Will connect to existing SWPL Transmission Line through ECO Substation, east of Jacumba
- Constructed on three to five 150-foot lattice towers or 170-foot steel monopoles, extending south from the point of interconnection for about 0.5 mile to the U.S.-Mexico border.
- The DEIR/EIS addresses the gen-tie line including any potential impacts to the U.S. associated with wind turbines constructed in Mexico.
- This project also requires a Presidential Permit (PP-334) from the United States Department of Energy and a Major Use Permit from the County of San Diego.
- The County of San Diego will use the EIR/EIS to issue the Major Use Permit for its compliance with CEQA

Cumulative Projects include Campo Wind, Manzanita Wind and Jordan Wind that is now the Enel Jewel Valley Project with 158 MW of wind and 10 MW of solar.

Campo Wind Project

- SDG&E and Invenergy propose to construct and operate approximately 106 turbines capable of generating 160 MW of electricity on Campo tribal lands. (west of Tisdale ranch)
- Turbines (approximately 450 feet tall from ground to tip of the fully extended turbine blade) would be located on available ridgelines on the reservation.
- In addition to the 160 MW of generating capacity proposed for this project, the Campo Tribe has requested that an additional 140 MW of generation be



analyzed in the Bureau of Indian Affairs' NEPA review of the project for future development purposes.

- The proposed Invenergy and SDG&E Campo Wind Project would connect with the Boulevard Substation Rebuild component of the ECO Substation Project.

Manzanita Wind Project

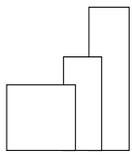
- SDG&E proposal for 57.5 MW, which could include up to 25 wind turbines depending on the turbine size selected.
- Turbines to be located on the same ridgeline as the existing Kumeyaay Wind facility.
- Turbines are proposed to be approximately 414 feet tall from ground to tip of the turbine blade fully extended.
- Project would connect with the Boulevard Substation Rebuild component of the ECO Substation Project.
- It is expected that the Campo and Manzanita wind energy projects would develop a switchyard for both facilities on non-tribal lands and a new 138 kV transmission line would be constructed along the existing ROW of the 69 kV transmission corridor that currently connects to the existing Boulevard Substation.
- The new 138 kV transmission line would interconnect with the proposed Boulevard Substation Rebuild component of the ECO Substation Project.

Jordan Wind Project (now Enel Jewel Valley Project)

- Enel Green Power Jewel Valley Project changed the proposed 40 2.3 MW turbines (total generating capacity of 92 MW) into 158 MW wind and 10 MW solar tracking units on over 7,000 acres of ranch land.
- The towers of the proposed wind turbines would be approximately 260 feet tall (height from ground to tip of fully extended blade would be approximately 430 feet).
- Enel's preferred point of interconnection is the Boulevard Substation Rebuild component of the ECO Substation Project.

Proximity of turbines to residence: See Figure D. 4-9 at page D-43 in DEIR/EIS

- When you use the scale on the Figure D.4-9 map, you can see that most of Boulevard will be impacted within a 1 to 3 mile radius.



EIR Comments

The Draft EIR Executive Summary clearly **recognizes a Class I, Substantial adverse effect on scenic vistas**. These scenic impacts are also listed in the EIR as adverse and unavoidable. Permanent noise levels are also listed, and are shown as Class II noise levels that can be mitigated by placement configuration. However, after researching the subject of noise from wind turbines, reviewing substantial literature on the subject, being an eyewitness to extensive live testimony from residents and experts regarding the distances that low frequency noise and other noise is broadcast, and given the close proximity of numerous residences and even the entire town of Boulevard, for example, it is highly doubtful that configuration of turbines on ridges will be successful in mitigating noise impacts for neighbors of the project. Further, existing resident reports of disturbing noise from the first area wind project casts much doubt on such conclusions of the EIR.

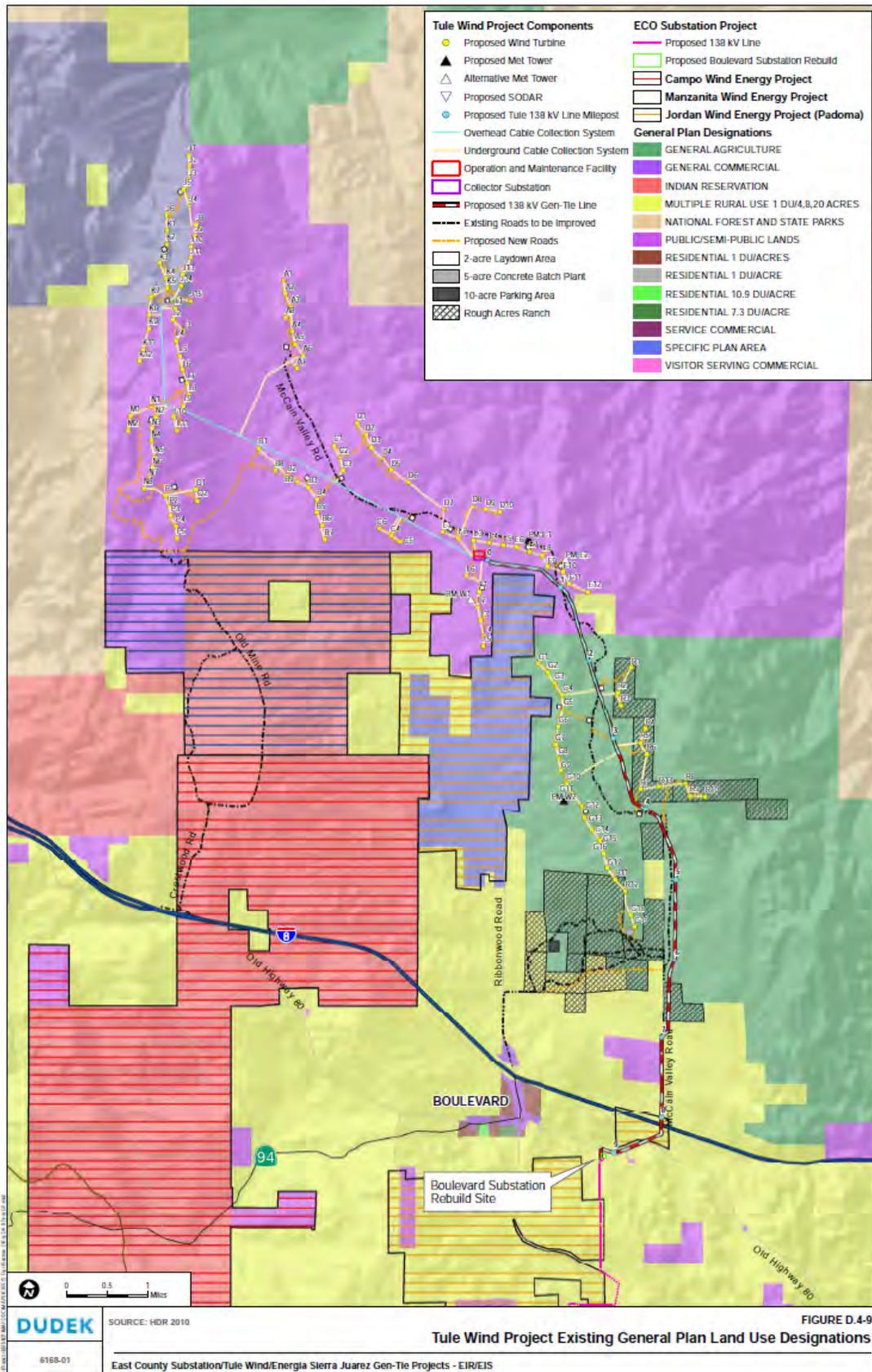
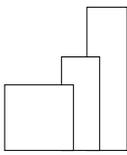
During a site visit and area tour (January 18-20, 2011) I personally inspected the Project area and numerous locations with scenic (premium & above average) vistas of future turbine, substation and HVTL infrastructure sites. At the time of this visit, I also was invited to speak at a community meeting, and had the opportunity to talk with neighbors of an existing wind energy project about their experiences. I am aware that noise levels have been disturbing to some residents, resulting in sleep disturbances as far as 3 miles from the nearest turbine. This often results in impaired use and enjoyment, and for some, results in a decision to sell and move from their homes.

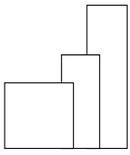
In my judgment, there will be significant degradation and impairment of the scenic amenities, in varying degrees, throughout the entire Project area. Aesthetic and noise impacts are often comingled and variable from day to evening and property to property, but as the following discussion will illustrate, impacts can and do extend for miles, in many instances.

In fact, the EIR addresses social and economic conditions, and based upon a literature review, the EIR Table D.16-7 concludes there will be a decrease of property values, but classifies the impacts as “not adverse”.

This is the primary focus of the McCann Property Value Impact Analysis, as residential owners and the “market” reactions regarding property values are an objective measure of the desirable characteristics of any community and an empirical method to measure economic impact, even though limited to property values.

However, while each of the Project components is considered separately, they are also considered cumulatively, inclusive of the reasonably likely future projects mentioned previously. The following EIR/EIS Exhibit, Figure D.4-9 reveals the close proximity of the various wind energy projects, individually, and how ultimately Boulevard would essentially be surrounded by an expansive, industrial overlay character. The impact on the character of a given area can be measured in terms of property value, as well as nuisances, aesthetic impairment and vistas from within and nearby the project area.





Property Value Impacts

The contrast of such man made towers with natural views and the highly valued amenity derived from views is analyzed herein, with focus on ratings of the view from, or “Vista” of residential properties.

It is important to understand that high quality or natural views are an asset to real estate market values and, in particular, residential property and land. Other types of “value” can be identified and described in non-real estate terminology, but my focus as an appraiser is on the market value of property.

Similarly, detracting from such premium views can and does have a measurable adverse effect on residential property values. This is well studied in the real estate appraisal profession, and in fact by proponents of wind energy funded by the USDOE such as:

- ERNEST ORLANDO LAWRENCE BERKELEY NATIONAL LABORATORY The Impact of Wind Power Projects on Residential Property Values in the United States: Ben Hoen, Ryan Wiser, et al, Environmental Energy Technologies Division December 2009. (LBNL)

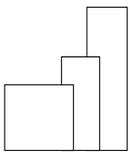
The 2009 LBNL report is the main study relied on in the DEIR/DEIS to attempt to support the conclusion that the Tule wind turbines will have insignificant property value impacts. The LBNL study is the “literature review” in Pacific Wind Development’s Environmental Document that the DEIR/DEIS discusses on page D.

This USDOE funded study is often cited by wind energy developers to claim there is no value impact from such projects, even though the study acknowledges that nearby properties may experience losses and further recommends that more study in the immediate project areas is needed. This study is useful to understanding the minimum level of probable impact from the Project at distances out to 5 miles, but is insufficient to gauge impacts at closer setbacks. Further, despite public funding, the study authors have repeatedly declined to make available the raw underlying sale data records used in the regression analysis, thereby eliminating any testing of their conclusions using accepted, tried and tested regression models for mass appraisal purposes.

VISTA IMPAIRMENT

In the LBNL study, the authors attempt to analyze the impact of wind projects on residential property values. They also separately address the statistically measured impact on residential values from scenic vistas, or views based on **regression analysis of over 4,700 sale transactions**, for this component of the study.

As graphically depicted within the LBNL report (pg xiii) on Figure ES-2, the following observations are prima facie evidence that impairment of scenic views results in a measurable loss of property values, as follows:



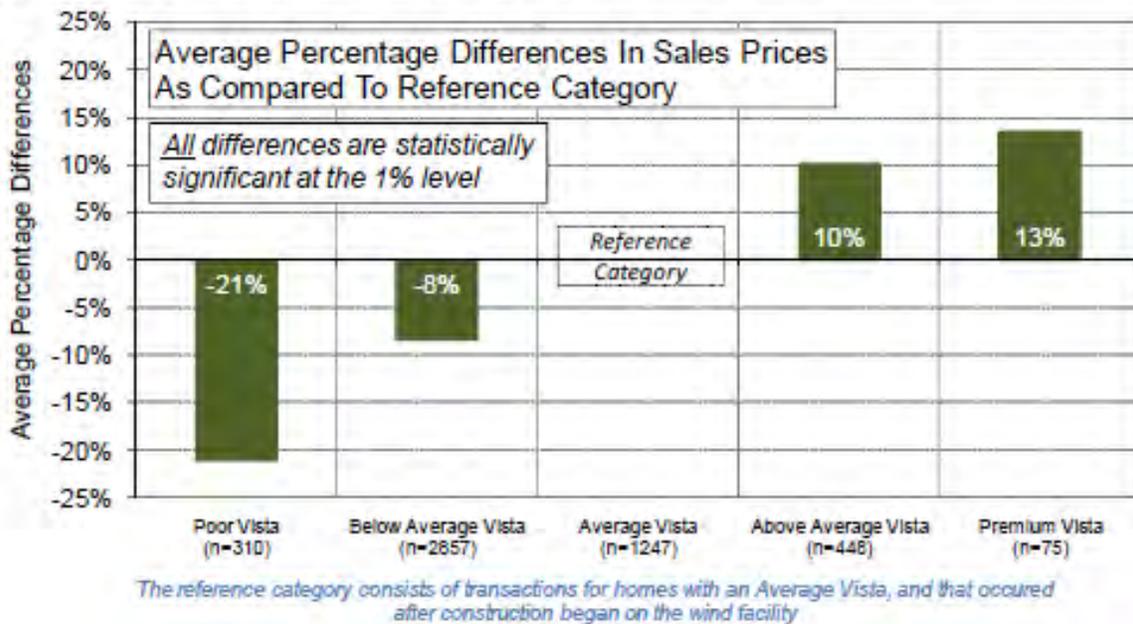
- A premium Vista adds 13% above the value of an average vista.
- A poor vista results in values 21% below the base-line average vista.
- An above average vista adds 10% to the value of an average vista.
- A below average vista reflects values 8% lower than an average vista.

To illustrate examples of the LBNL findings as it applies to the impairment of vistas for residential property, it is first acknowledged that the vista of any given residential property is going to be rated differently before introduction of the Project which will later have a view of the Project turbines and infrastructure, albeit at varied distances.

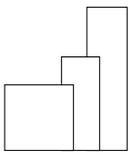
My personal inspection and review of photographic evidence of existing vistas in the project area indicates strong similarity with premium and above average vistas, as defined and characterized in the LBNL report. On balance, the LBNL report provides examples of premium, above average, average, below average and poor vistas.

In my opinion, below average and poor vista ratings are consistent with the impairment of vistas that will be caused by the Project itself. In scale, the below average “after” vista rating is reasonably applicable to distances of approximately 3 to 5 miles, while the poor vista rating will result from setbacks of less than 3 miles. At less than 1 to 1.5 mile setbacks, the poor vista is considered severe, and is often exacerbated by noise nuisances, etc. **(see McCann Exhibit A)**

Figure ES-2: Base Model Results: Scenic Vista



Source: December 2009 LBNL report



Thus, in project area residential locations with a premium vista, the Project downgrading the amenity to a poor or below average vista will result in a **value loss of 21% to 34%**. Similarly, residential property possessing a current average vista, if downgraded to poor or below average vista from the Project will suffer **between 8% and 21% value diminution**.

At 400 to 500 feet in height, the view of the Project will be present at considerable distances that extend beyond the nearest residential property, particularly if blinking lights are required at night for aviation safety purposes.

In addition to the findings of the LBNL research report, I have also considered several peer reviewed studies published in The Appraisal Journal, that relate to value losses and impairment caused by other industrial “towers”, such as cell towers, high voltage transmission lines, as well as the higher values that are derived from premium views from property.

Each of these studies generally confirms the findings summarized by the data reflected in LBNL Figure ES-2, and are maintained in the appraiser’s work file for future reference.

NUISANCE IMPAIRMENT

For many residents, the introduction of the Project will constitute a nuisance, based on the noise, the unprecedented height and the impairment of aesthetics related thereto, the blinking aviation light in the night sky, if required by the FAA, etc. The LBNL study attempts to separately isolate the impact of nuisance on value, as depicted in the following Figure ES-1 from the LBNL study.

This figure separates the nuisance by distance from residential property, and clearly reveals that properties in the 3,000 feet and less, and 3,000 feet to 1-mile range **suffer value loss of 5.3% to 5.5%**, respectively.

While the author discounts the statistical significance of the LBNL findings, this dismissal of relevance must be understood in the context of the largely irrelevant data from greater distances having provided the baseline property characteristics in a disproportionately sized data pool or sample, and which “waters down” the statistical indications. The LBNL report must also be understood as a study commissioned with the intent of furthering the government policy of expanding wind energy development in the United States.

Nevertheless, even exclusion of certain impacted property data did not eliminate the downward indication of value resulting from proximity to a nuisance.

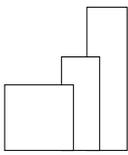
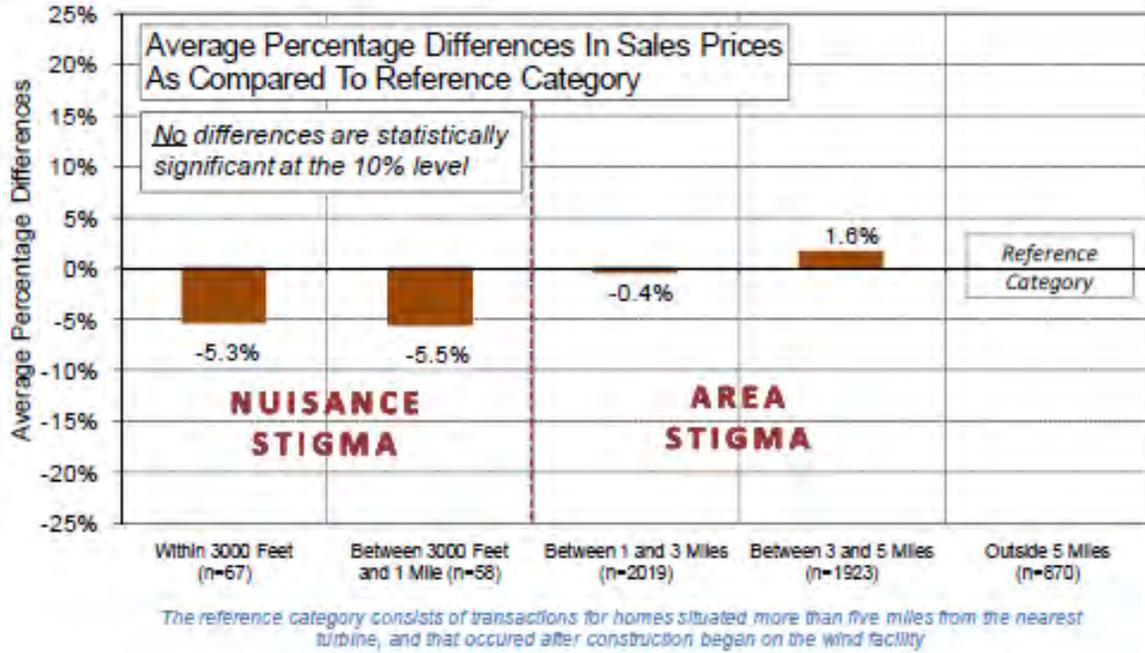
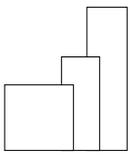


Figure ES-1: Base Model Results: Area and Nuisance Stigma



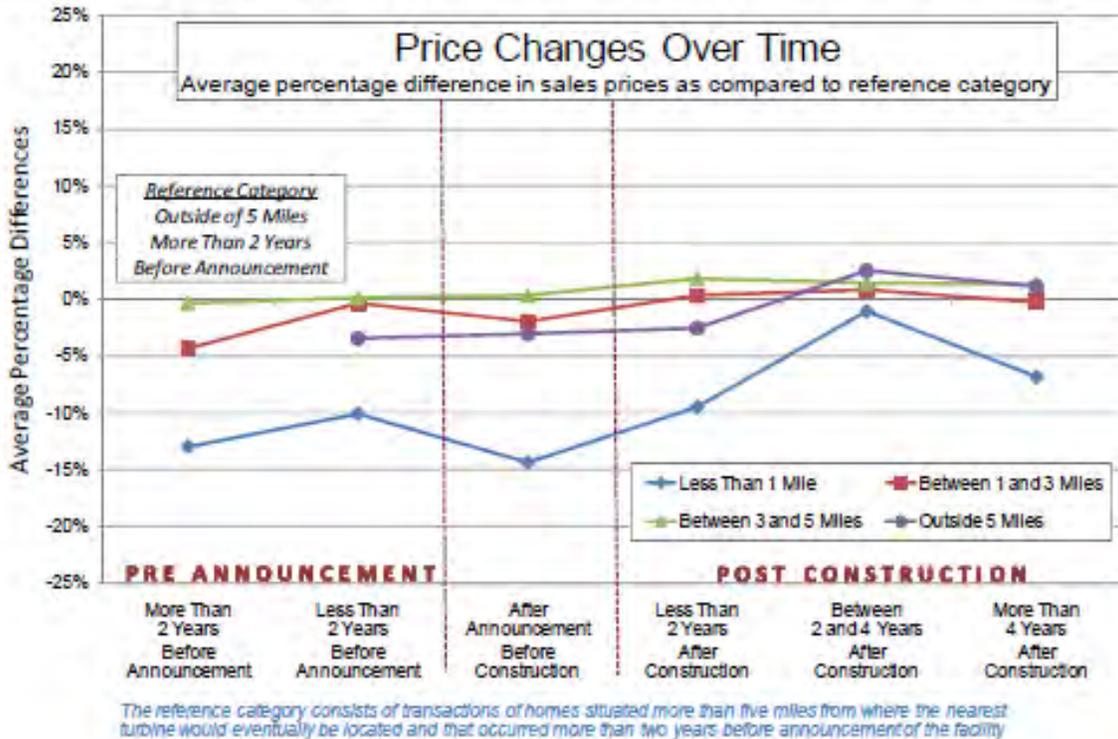
Source: December 2009 LBNL report



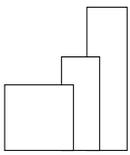
Pre-Construction “Constructive Notice”

Further, the following LBNL study Figure ES-4 depicts value changes over time, at varied distance from wind turbines. The applicability of this focus of the LBNL study to the subject Project can be understood in the post-announcement but pre-construction phase of turbine projects, at which point the Project has not been erected and impacts are evidenced by market reaction to “constructive notice” served on surrounding neighbors and property owners. Properties within 1-mile of such projects reflect the largest decline in value, and **confirm that wind turbines have measurable negative impact on property values within 1-mile**. I also note the reference category of home sales beyond 5 miles increased over time, whereas homes within 5 miles of the studied projects typically did not increase in value, showing downward pressure from the market at even a distance of 5 miles.

Figure ES - 4: Temporal Aspects Model Results: Area and Nuisance Stigma



The EIR/EIS fails to reconcile the differences between the Project turbines and neighbors’ homes with the distances cited in the LBNL study. No effort to mitigate through increasing setbacks is cited, and no Property Value Guarantee is mentioned as another measure to mitigate value impacts. In short, the EIR/EIS stopped short of truly addressing the issue, in the process of “filling out the form”.



The LBNL study is not the only pro-wind study that refutes the claims of developers regarding property value loss, due to their utility scale wind energy projects. A recent study focuses more on the pre-construction or “constructive notice” phase of development, as characterized by MET facilities.

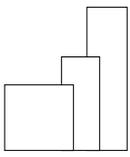
A separate academic study conducted by Jennifer L. Hinman, J.L. , Illinois State University, WIND FARM PROXIMITY AND PROPERTY VALUES: A POOLED HEDONIC REGRESSION ANALYSIS OF PROPERTY VALUES IN CENTRAL ILLINOIS

The background of this study author is a Master’s Thesis, prepared by the author in partial fulfillment of degree requirements. ISU is heavily funded by wind energy developers, the American Wind Energy Association, the USDOE and other grant programs that are decidedly “pro-wind”, and which seek to refute the actual experience of many neighbors to such projects.

In fact, ISU newsletters disclose that “corporate partners” that include wind energy development companies have access to the renewable energy programs, include advising on research direction and the right to review any applied research developed by ISU.

An excerpt of the Hinman report is presented as follows:

*This study uses 3,851 residential property transactions from January 1, 2001 through December 1, 2009 from McLean and Ford Counties, Illinois. This is the first wind farm proximity and property value study to adopt pooled hedonic regression analysis with difference-in-differences estimators. This methodology significantly improves upon many of the previous methodologies found in the wind farm proximity and property value literature. **The estimation results provide evidence that a “location effect” exists such that before the wind farm was even approved, properties located near the eventual wind farm area were devalued in comparison to other areas.** Additionally, the results show that property value impacts vary based on the different stages of wind farm development. These stages of wind farm development roughly correspond to the different levels of risk as perceived by local residents and potential homebuyers. Some of the estimation results support the existence of “wind farm anticipation stigma theory,” meaning that **property values may have diminished in “anticipation” of the wind farm** after the wind farm project was approved by the McLean County Board. Wind farm anticipation stigma is likely due to the impact associated with a fear of the unknown, a general uncertainty surrounding a proposed wind farm project regarding the aesthetic impacts on the landscape, the actual noise impacts from the wind turbines, and just how disruptive the wind farm will be.*



Property Value Guarantee (PVG)

Property values have been shown to decline based on pre-construction anticipation of wind projects. As such, there is ample evidence to either deny such related projects within 1 to 3 miles of homes for actual turbines.

Despite all the industry claims to the contrary, significant value impacts have in fact occurred, and have even resulted in the abandonment of homes, as well as nuisances, health problems, etc.

Even the principal author of the LBNL study, Ben Hoen, now recommends implementation of Property Value Guarantees (PVG's) in the context of wind energy project mitigation of impacts. Thus, the EIR/EIS is not current with the available updated conclusions and information, as determined by the author of the study they cited to make limited mention for inadequately classifying the issue of property value impacts.

(Per page 32 of linked webinar)

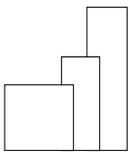
http://www.windpoweringamerica.gov/newengland/pdfs/2010/webinar_neweep_property_values_hoen.pdf

Property Value Risks Will Persist Unless They Are Measured, Mitigated and Managed

Manage

Manage risks in the short term for homeowners through tenable/workable measures

- Offer some combination of neighbor agreements/incentives and/or property value guarantees (e.g., Dekalb County, IL) to nearby homeowners as are economically tenable and legally workable
- Conduct follow up studies (e.g., surveys, appraisals)
- Realize that cumulative impacts may exist
- Realize that real or perceived risks may increase/decrease as more/better information become available



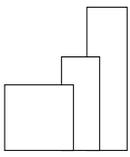
Nuisance can be manifest by close proximity of the Project to homes out to 2 or 3 miles. Distance beyond 3 miles includes visual impacts but at that range, turbines typically have more of an impact on marketing. When noise issues are known to occur, typical development practices leave homeowners wishing to sell with the ethical dilemma of making full disclosure of known nuisances to potential buyers, or facing possible legal repercussions and financial liability for failing to make such a disclosure. Pre-construction failure to notify buyers of pending projects has resulted in litigated judgments in favor of buyers who did not get full disclosure from the seller.

The prospective turbine developments will have a negative impact or “nuisance” under circumstances of each receptor location when that the project or use has a dominant presence, impairs aesthetics, negatively changes the character of a property setting or perception thereof (single or multiple properties), causes the need for financial and/or time expenditures by neighbors that they would not otherwise have, or in any number of potential ways has a demonstrable adverse impact on the use, enjoyment, marketability or value of the neighboring use, then it could create a man-made detriment to neighboring property and result in a negative impact for any homes that “got in the way”. This is exactly why adequate setbacks are important. To mitigate against adverse impacts on neighboring property.

Thus an impaired view from a property possessing a “premium” vista, based upon LBNL data analyzed and claimed to be statistically significant, indicates that a 13% premium could become a 21% reduction, or a net property value reduction of 34%.

This range of value loss for the nearest residential properties is fairly classified as a nuisance, and is quantified as significant with empirical data rather than subjective “fears” or speculation.

I have also reviewed the photo simulations contained in the EIR/EIS and, in my professional opinion, the “after” photos depict an impairment of views consistent with the ratings for poor and below average vistas, depending on the distance of, and view from homes in the area.

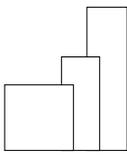


Mendota Hills – McCann Study

I have undertaken independent research and study of property value impacts, which includes numerous individual case studies of homes that either could not be sold due to close proximity of wind turbines, or that sold for substantial discounts. Individual discounts typically range from 20% to 40%, with some examples of 60% to 80% resales from developers, when they have bought out homeowners experiencing a high level of noise nuisances and/or health impacts.

The following table depicts property value impacts within 2 miles of the first Illinois wind energy project, in contrast to home sale prices over 2 miles from the turbines. It is noted that the study sales all occurred between early 2003 and early 2005, during one of the strongest markets in modern history. Thus, there is NO value loss due to market conditions that have evolved since, and this study is extremely useful for eliminating market decline impacts that were not caused by development of the industrial scale turbines.

This rural residential location is relatively homogenous, in that there is a range of home size and styles in both the near and far distances, having a comparable market appeal prior to the construction and operation of the Mendota Hills project. It is also prima facie evidence that property values within 2 miles have been lower than further homes by 25%, or \$25.89 per square foot lower.



Mendota Hills Wind Energy Project

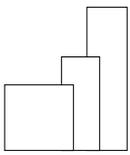
Sale #	Address	Sale Date	Price	Grantor	Grantee	Style	Size SF	\$/SF
1	629 W. Chestnut	Oct 2003	\$37,000	Estes	Lipe	1.5	1,161	\$31.87
2	323 W. Chestnut	Oct 2004	\$40,000	Reed	Hovious	1.5	1,425	\$28.07
3	1019 Steward Rd.	May 2003	\$40,000	Houle-Ward	Reyns	2	1,408	\$28.41
4	91143 Paw Paw	Mar 2005	\$187,000	Zaylik	Pachero	2	1,571	\$119.03
5	1224 IL Rte. 251	Jun 2003	\$138,000	Gittleson	Kowalski	2	1,272	\$108.49
6	339 Chestnut St.	Jan 2003	\$72,000	White	Flynn	2	1,684	\$42.76
7	630 W. Chestnut	Sep 2003	\$126,000	Eddy	Morath, Sr.	1.5	1,728	\$72.92
8	427 Chestnut St.	Oct 2003	\$87,000	Hesik	Rourke, Jr.	1.5	1,380	\$63.04
9	138 Cherry St.	Sep 2004	\$80,000	Hammond	Alexander	1.5	1,326	\$60.33
10	536 W. Cherry	Oct 2004	\$63,500	Johnson	Fitzpatrick	1.5	999	\$63.56
11	885 Compton Rd.	Oct 2004	\$68,900	Boysen	Gellings	1	480	\$143.54
12	518 W. Cherry St.	Apr 2003	\$87,500	Allen	Beckman	1	927	\$94.39
13	222 Maple St.	Dec 2004	\$150,000	Clark	Cummings	1	1,852	\$80.99
14	444 W. Main St.	Mar 2005	\$109,900	Miller	Michaels	1	1,402	\$78.39
15	2874 Beemerville	Jul 2003	\$367,000	Finkboner	DGNB TRT	1	2,201	<u>\$166.74</u>
Average sale price								\$78.84

16	1310 Melugins Grove	Apr 2004	\$179,000	Lyons	Overton	2	1,952	\$91.70
17	2612 Shady Oaks Rd.	Apr 2003	\$131,000	Smith	Papiech	1.5	1,208	\$108.44
18	3448 Cyclone Rd.	Mar 2003	\$105,900	Munyon	Pippenger	2	1,456	\$72.73
19	2524 Johnson St.	Aug 2004	\$61,800	Copeland	Lampson	1.5	948	\$65.19
20	741 Third St.	Feb 2004	\$63,500	Eckhardt	Rosales	1.5	868	\$73.16
21	613 Church Rd.	May 2003	\$115,000	Merkel	Parpart	1.5	1,458	\$78.88
22	3435 Willow Creek	Jun 2003	\$118,000	Swiatek	Brydun	2	884	\$133.48
23	3021 Cottage Hill	Mar 2005	\$182,000	Russ	Curtis	1.5	1,239	\$146.89
24	3385 Willow Creek	Mar 2003	\$180,000	McCoy	Carver	2	2,840	\$63.38
25	745 Second St.	Dec 2004	\$59,000	Wilson	Calderon	1.5	1,161	\$50.82
26	761 4th St.	Mar 2003	\$68,000	Stewart	Elsinger	1	724	\$93.92
27	2774 Welland Rd.	Apr 2003	\$93,000	Batha	Crumpton	1.5	1,104	\$84.24
28	558 Earville Rd.	Jan 2003	\$145,000	Hodge	Ikeler	2	1,280	\$113.28
29	2505 Wood St.	Aug 2004	\$105,000	Janiak	Bullock	2	1,812	\$57.95
30	385 Earville Rd.	Aug 2004	\$280,000	Rago	Diehl	2	2,142	\$130.72
31	3095 Cyclone Rd.	Dec 2004	\$169,900	Summerhill	Rainbolt	2	2,048	\$82.96
32	742 Second St.	Jan 2003	\$103,000	Delhotal	Stewart	2	1,876	\$54.90
33	395 Angling Rd.	Mar 2005	\$119,000	BMV Prop.	Herendeen	1	680	\$175.00
34	2515 Wood St.	Apr 2004	\$80,000	Jones	Sarver	1	912	\$87.72
35	1218 Locust Rd.	Jan 2005	\$169,000	Wachowski	Gembeck	1	1,040	\$162.50
36	901 Melugins Grove	Aug 2003	\$228,000	Kidd	Rajan	1	2,000	\$114.00
37	1490 German Rd.	Aug 2004	\$85,000	Firlit	Challand	2	2,144	\$39.65
38	603 Ogee Rd.	Apr 2004	\$285,000	Anderson	Miller	1	1,920	\$148.44
39	546 Camahan Rd.	Jan 2005	\$110,000	Coley	Sarabia	1	1,296	\$84.88
40	1353 County Line	Nov 2003	\$185,000	Vallejo	Bozaeth	1.5	1,338	\$138.27
41	2512 Johnson St.	Feb 2005	\$123,000	Montavon	Sutton	2	2,232	\$55.11
42	2509 Herman Rd.	Apr 2004	\$142,900	Bresson	Arjes	1	1,404	\$101.78
43	955 Woodlawn	Jul 2003	\$265,000	Swan	LaRosa	1.5	1,918	\$138.16
44	1279 Locust Rd.	Mar 2003	\$270,000	Witte	olin	1	2,156	\$125.23
45	648 Ogee	Nov 2003	\$225,000	Fickenscher	Rojas	1	1,768	\$127.26
46	1339 Woodlawn Rd.	Sep 2003	\$230,000	Howell	Barnhill	1	1,701	\$135.21
47	1349 Woodlawn Rd.	May 2003	\$207,500	Howell	Wiskari	1	1,809	\$114.70
48	711 O'Gee Rd.	Aug 2004	\$185,000	Groevengoed	Carabal	1	1,352	\$136.83
49	1295 Locust Rd.	May 2004	\$300,000	Hagan	Lowe	1	2,672	\$112.28
50	860 Paw Paw Rd.	May 2004	\$185,000	Wiskur	Pogreba	1	1,148	\$161.15
51	3011 Honeysuckle	Mar 2005	\$355,000	Abbott	Brandt	2	3,655	\$97.13
52	489 Earville Rd.	Nov 2004	\$165,000	Schlaflke	Fromhertz	2	1,400	\$127.86
53	2512 Shaw Rd.	Jun 2004	\$153,500	Hlavin	Kapinski	2	1,638	<u>\$93.71</u>
Average sale price								\$104.72

Sales 17 - 53 located > 2 miles from turbines \$104.72 sq ft
 Sales 1 - 16 located within 2 miles of turbines \$78.84 sq ft

Difference in sale price per square foot \$25.89 sq ft

Average Value diminution within 2 miles of turbines 25%



Conclusion

The LBNL study cited in the EIR/EIS actually demonstrates that there are measurable and significant value losses for residential property, after the introduction of wind turbine energy projects into the neighboring communities. The author of the report has updated his conclusions to include recommendation of PVG's, as well as recognition of cumulative impacts.

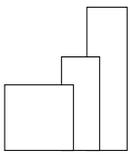
A separate academic study (Hinman thesis) used similar regression methodology as LBNL, and found that values decline even pre-construction, which appears to be a market reaction in anticipation of the studied wind project.

The Mendota Hills study is based simply on a near-far comparison of average value per square foot for residences within and outside a 2 mile setback from turbines. Other independent and industry studies have also consistently found that actual sales reflect lower values for homes, under different distance scenarios, as well as Project sizes, locations and even different countries.

The common denominator is that turbines are being constructed too close too people to avoid tangible and intangible adverse impacts and impairment of character of the areas developed with wind projects, the use, enjoyment and value of neighboring homes, and the stability of real estate value within distanes out to 5 miles. However, the majority of data reveals the most onerous impacts of 25% to 40% value decline within 2-3 miles, which is still far greater than the deminimus setbacks proposed for turbines from residents in the Project.

I also note that HVTL are well studied in the appraisal profession, and 10% lower values is the approximate value loss within close proximity to suburban locations. With expansive, premium vistas at the subject Project locations, the impact distances are not only expected to be greater, but also cumulatic. The same is true for the more localized impact of substation development, as far as cumulative impacts. Thus, under the worse case scenario, any residence located immedialetly adjacent to a substation, where HVTL towers and lines connect, that is also within 2-3 miles of turbines, is likely to be so impaired as to be unmarketable at any price.

The EIR/EIS inadequately addresses any of these impacts, and should be considered as irrelevant to support any findings on real estate values and economic impact. Similarly, the Project fails to meet the criteria for a MUP from the San Diego Zoning Ordinance, and EIR/EIS documentation provides no basis to demonstrate compliance with such zoning requirements.



McCann Exhibit A

Appendix D: Vista Ratings with Photos

POOR VISTA

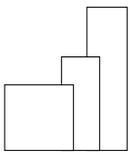


BELOW AVERAGE VISTA



AVERAGE VISTA





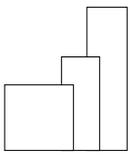
ABOVE AVERAGE VISTA



PREMIUM VISTA

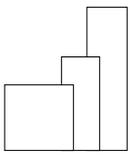


Source: LBNL Appendix D, report page 120 & 121



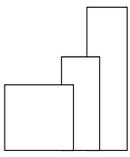
Examples of Premium Vistas – Subject Area





McCann Appraisal, LLC





McCann Appraisal, LLC

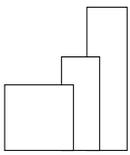


2810 Ribbonwood Rd, Boulevard, CA



Premium Vista

Proposed northern portion of Enel Jewel Valley Project



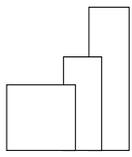
CERTIFICATION

The undersigned, representing McCANN APPRAISAL, LLC, do hereby certify to the best of our knowledge and belief that:

- FIRST: The statements of fact contained in this appraisal report are true and correct.
- SECOND: The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and represents the personal, impartial and unbiased professional analyses, opinions, and conclusions of the undersigned.
- THIRD: We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to any of the parties involved.
- FOURTH: We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- FIFTH: Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- SIXTH: Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- SEVENTH: Our analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- EIGHTH: For preliminary valuation purposes only an exterior inspection was made by McCann Appraisal, LLC of the property that is the subject of this report:
- NINTH: No one other than the undersigned provided significant real property appraisal assistance to the person signing this certification.
- TENTH: McCann Appraisal, LLC has been previously engaged to consult regarding appraisal issues in the subject market area.

IN WITNESS WHEREOF, THE UNDERSIGNED has caused these statements to be signed and attested to.

Michael S. McCann, CRA
State Certified General Real Estate Appraiser
License No.553.001252 (Expires 9/30/2011)



PROFESSIONAL BIOGRAPHY

MICHAEL S. MCCANN, CRA

Michael S. McCann has been exclusively engaged in the real estate appraisal profession since 1980, and is the owner of McCann Appraisal, LLC.

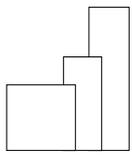
EXPERIENCE

His appraisal experience has included market value appraisals of various types of commercial, office, residential, retail, industrial and vacant property, along with a wide variety of unique or special purpose real estate, such as limestone quarries, hotels, contaminated properties, etc. He has gained a wide variety of experience in real estate zoning evaluations and property value impact studies, including analysis of utility scale wind turbine generating facilities, gas-fired electric generating plants, shopping centers, industrial facilities, limestone quarries, sanitary landfills and transfer station waste disposal facilities. He has been retained as an independent consultant to municipalities, government agencies, corporations, attorneys, developers lending institutions and private owners, and has spoken at seminars for the Appraisal Institute, the Illinois State Bar Association and Lorman Education Services on topics including the vacation of public right of ways (1986), and Property Taxation in the New Millennium (2000), Zoning and Land Use in Illinois (2005, 2006).

In addition to evaluation of eminent domain real estate acquisitions for a wide variety of property owners & condemning authorities, Mr. McCann has served as a Condemnation Commissioner (2000-2002) appointed by the United States District Court - Northern District, for the purpose of determining just compensation to property owners, under a federal condemnation matter for a natural gas pipeline project in Will County, Illinois.

EXPERT TESTIMONY

Assignments include appraisals, studies and consultation regarding real estate located in 21 states. He has qualified and testified as an expert witness in Federal Court, and for condemnation, property tax appeal and zoning matters in the Counties of Cook, Will, Boone, Lake, Madison, St. Clair, Iroquois, Fulton, McHenry, Ogle & Kendall Circuit Courts, as well as the Chicago and Cook County Zoning Boards of Appeal, the Property Tax Appeal Board (PTAB) and tax court & Commissions of Illinois, Wisconsin, and Ohio, Circuit Courts in New Jersey and Indiana, as well as zoning, planning, and land use and County Boards in Texas, Missouri, Idaho, Michigan, New Mexico and various metropolitan Chicago area locales. He has also been certified as an expert on the Uniform Standards of Professional Appraisal Practice (USPAP) by the Cook County, Illinois Circuit Court. Mr. McCann has substantial experience in large-scale condemnation and acquisition projects and project coordination at the request of various governmental agencies and departments. These include appraisals for land acquisition projects such as the Chicago White Sox Stadium project, the Southwest Transit



McCann Appraisal, LLC

(Orange Line) CTA rail extension to Chicago's Midway Airport, the United Center Stadium for the Chicago Bulls and Blackhawks, the minor league baseball league, Silver Cross Field stadium in Joliet, Illinois, as well as many other urban renewal, acquisition and neighborhood revitalization projects.

REAL ESTATE EDUCATION

Specialized appraisal education includes successful completion of Real Estate Appraisal Principles, Appraisal Procedures, Residential Valuation, Capitalization Theory and Techniques Part A, Standards of Professional Practice Parts A, B and C, Case Studies in Real Estate Valuation, Highest and Best Use and Market Analysis, Advanced Income Capitalization, Subdivision Analysis and Special Purpose Properties, Eminent Domain and Condemnation, and Valuation of Detrimental Conditions in Real Estate offered by the Appraisal Institute. In addition, he has completed the Society of Real Estate Appraisers' Marketability and Market Analysis course, the Executive Enterprises - Environmental Regulation course, and a variety of continuing education real estate seminars.

DESIGNATIONS & PROFESSIONAL AFFILIATIONS

Mr. McCann is a State Certified Associate Member of the Appraisal Institute, and the National Association of Review Appraisers & Mortgage Underwriters designated him as a Certified Review Appraiser (CRA). He was elected in 2003 as a member of Lambda Alpha International, an honorary land economics society, and he served several years as a member of the Appraiser's Council of the Chicago Board of Realtors.

LICENSES

State Certified General Real Estate Appraiser in the State of Illinois (License No. 533.001252) and is current with all continuing education requirements.