



BEYOND THE WIRES:

Big Eddy-Knight Transmission Line

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CLEAN AIR
TASK FORCE

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Lead Author

Natalie Manitius
Clean Air Task Force

Contributing Authors

Nicole Pavia
Clean Air Task Force

Annika Harrington
Clean Air Task Force

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Project Summary

This case study is part of a broader set investigating how electricity transmission projects have integrated community benefits into their development processes. These case studies specifically explore transmission projects that have been completed and are in service. The purpose of this work is to learn more about the nature of benefits frameworks; the regulatory, logistical, and engagement processes that led to agreements; community representation in agreement negotiations; the degree to which frameworks result in demonstrable benefits to the community; and any related implications on project cost and timeline, in order to inform and improve community benefits conversations happening today. These case studies were informed by web research, document and docket review, and first-person interviews.

View the full set of case studies and summary report at:

<https://www.edf.org/beyond-wires-community-benefits-transmission-projects>

and

<https://www.catf.us/resource/beyond-the-wires-community-benefits-from-transmission-projects/>

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Glossary of Acronyms

- BPA: Bonneville Power Administration
- CG-BREZ: Columbia Gorge Bi-State Regional Energy Zone
- EIS: Environmental Impact Statement
- FOCG: Friends of the Columbia River Gorge
- NEPA: National Environmental Policy Act
- NHPA: National Historic Preservation Act
- USFS: U.S. Forest Service

SUMMARY

The Big Eddy-Knight project, completed in 2015 by the federally owned Bonneville Power Administration (BPA), is located in the Columbia River Gorge on the border of Washington and Oregon. The line was built to increase electrical transmission capacity, interconnect new renewable energy resources, and support related economic development in the counties surrounding the gorge. Though there were concerns over specific routing and design details, the line was generally supported by local communities thanks to BPA's proactive outreach and the growing understanding that new renewable energy projects and transmission lines could offer significant local economic benefits.

The complex nature and routing of the line meant that BPA needed to garner local support early on or else risk community pushback. The line's path crossed two states, two counties, a National Scenic Area, federally owned land, ceded Tribal land, and historic Tribal fishing grounds.

BPA proactively approached a local environmental organization, Friends of the Columbia River Gorge (FOCG), to negotiate a settlement agreement aimed at mitigating

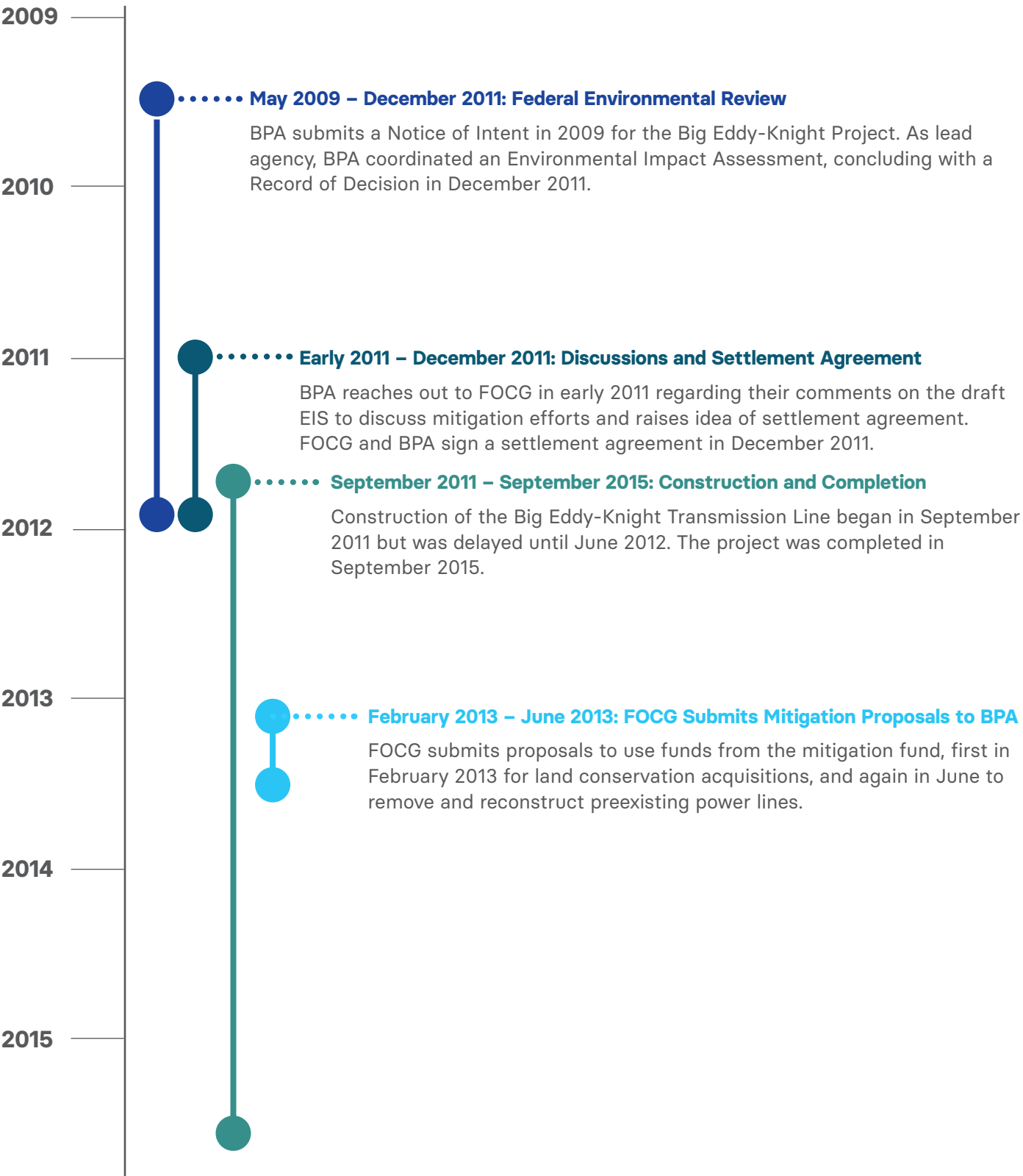
impacts to the Columbia River Gorge National Scenic Area, an area that is federally designated for outstanding views and protected from extensive development. Even though FOCG had not initiated or threatened any litigation, BPA saw a settlement as a way to establish goodwill and reduce risk or litigation in the future. The agreement established a \$1.78 million mitigation fund, administered by BPA with FOCG authority to identify and recommend initiatives for funding. The funds were primarily used to acquire parcels of land that were put into a trust for conservation. BPA also coordinated and developed additional agreements with Tribes and federal agencies.

While the FOCG settlement did create additional mitigation efforts and lead to proactive conversations with concerned stakeholders, community concerns still emerged around whether the negotiated benefits truly mitigated the local impacts of the line and benefitted the community widely. Some individuals felt that the settlement agreement was more likely a way to reduce litigation risk rather than deliver meaningful benefits to the community. Engaging a broader array of entities, including impacted landowners, county officials, and other community organizations, could have led to additional benefits with more tangible impacts.

Key Takeaways

- Proactive outreach by a developer to establish an agreement can reduce risk for litigation down the line for a project.
- Perceptions of the benefits framework may vary, and not all community members will feel they were represented by the organization that received the benefits.
- Benefits and mitigation measures should be prioritized and be tangibly felt by those most impacted by the project. Mitigation measures especially should be directly integrated within the project's physical footprint. Mitigation measures that are taken outside the project's footprint may not be viewed as sufficient by impacted communities.

TIMELINE



THE PROJECT

The Big Eddy-Knight Transmission Project is a 28-mile, 500 kilovolt transmission line that runs between the pre-existing Big Eddy substation in Dalles, Wasco County, Oregon, and the newly constructed Knight substation near Goldendale, Klickitat County, Washington. The transmission line crosses the Columbia River at Celilo Falls, a historic Tribal fishing area submerged during the construction of the Dalles Hydropower Dam in 1957. The line crosses public, private, and Tribal land, including land managed by the U.S. Forest Service (USFS) and the Washington Department of Natural Resources, and individual allotments belonging to members of the Confederated Tribes of Warm Springs in Oregon and the Yakama Nation in Washington (though only through existing rights-of-way). The 7.5 miles of line that passes through the Columbia River Gorge National Scenic Area

were also routed along existing or adjusted rights-of-way.¹ The project was first announced in 2009, completed permitting in 2011, and was energized in 2015.

BPA, a federal agency and one of four Power Marketing Administrations within the U.S. Department of Energy, developed the project. BPA was created in 1937 to market power generated by hydropower facilities in the Northwest and build the transmission infrastructure needed to move that electricity.² BPA owns and operates about three-fourths of the high-voltage transmission lines in the Pacific Northwest. BPA developed the Big Eddy-Knight line with the intent to increase transmission capacity in the region, which saw an increase in renewable energy facilities in the early 2000s.³

FIGURE 1:

Big Eddy-Knight Transmission Line



PHOTO CREDIT: BONNEVILLE POWER ADMINISTRATION

1 Bonneville Power Administration. (2011, September 16). *Record of decision: Big Eddy-Knight transmission project*. U.S. Department of Energy.

2 Bonneville Power Administration. (n.d.). *Our History*. Bonneville Power Administration.

3 Siemers, E. (2011, September 18). *New BPA transmission line to aid wind energy expansion*. East Oregonian.

FIGURE 2:
Map of Big Eddy-Knight Transmission Project

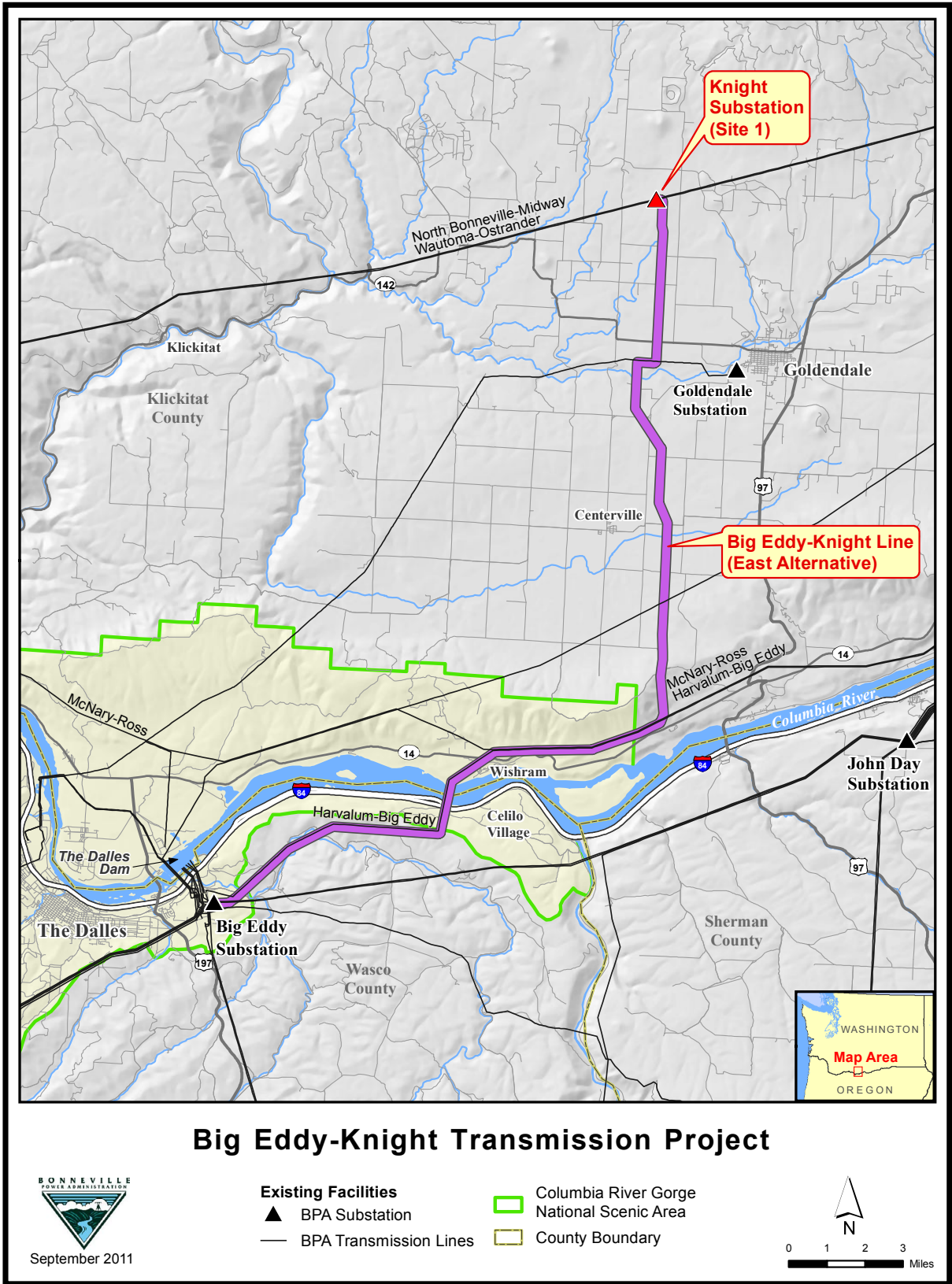


PHOTO CREDIT: BONNEVILLE POWER ADMINISTRATION

THE COMMUNITIES

The Big Eddy-Knight line runs through the Columbia River Gorge, an area that has been the focus of energy development in the Northwest for decades. Since 1938, the federal government has constructed over a dozen hydropower dams on the Columbia River and dozens more throughout the watershed. The ridges of the gorge provide valuable wind energy resources, while other parts of the region boast solar, biomass, fuel, and geothermal resources.

The Columbia River Gorge has also been a designated National Scenic Area since 1986. This designation limits development and ensures resource protection across the

85-mile stretch of riverside through six counties and two states.⁴ The Columbia River Gorge Commission oversees policy creation and implementation for non-federal land in the gorge to ensure balanced resource protection and economic development.

Klickitat and Wasco Counties, two counties through which the Big Eddy-Knight line runs, are also part of the Columbia Gorge Bi-State Regional Energy Zone (CG-BREZ) founded in 2008. CG-BREZ is a six-county region across Washington and Oregon committed to renewable energy development, workforce training, and business development.⁵

FIGURE 3:

Goodnoe Hills Wind Farm in Klickitat County



PHOTO CREDIT: J BREW

⁴ Columbia River Gorge Commission. (n.d.). *About the National Scenic Area*. Columbia River Gorge Commission.

⁵ Mid-Columbia Economic Development District. (n.d.). *Renewable energy*. Mid-Columbia Economic Development District.

Klickitat County, Washington

Named after the Klickitat Tribe, Klickitat County sits on the northern side of the Columbia River in south central Washington. In 2010, when the Big Eddy-Knight transmission line was under development, the county's population was 20,375 and majority white (83.7%).⁶ Historically the county's economy has been based on sheep and cattle ranching, wheat, orchards, timber, and aluminum.⁷ Gas power plants, hydropower dams, biomass facilities, and other energy projects also exist in the area.

Over the past few decades, clean energy development in the region has grown. Klickitat County was one of the nation's early leaders in deploying wind energy. Wind energy facilities were first proposed in the early 1990s, though many projects were abandoned before they were built. In the early 2000s, the county experienced significant economic shock following the closure of a large aluminum smelter and new

restrictions on timber harvesting. **Feeling the impacts of job losses, county leaders turned to wind energy as a new economic opportunity and invested \$1 million to develop the nation's first Energy Overlay Zone in 2005.** The Energy Overlay Zone creates a simplified permitting process for wind projects sited in a "zone" covering about two-thirds of the county's total land area.^{8,9} By 2010, there were 18 wind facilities either built, in development, or permitted in the region.¹⁰ These early wind projects benefitted greatly from renewable energy grants in the 2009 federal stimulus bill.

The wind industry brought significant economic benefits to the community. Sales tax revenue grew 50% from 2005 to 2009, and the county's taxable property value grew from \$1.7 billion in 2006 to \$3 billion in 2010, providing financial support to schools, hospitals, libraries, and fire districts.¹¹ Landowners benefitted from lease payments on struggling farms – wind developers offered landowners \$8,000 to \$18,000 per turbine per year, depending on their energy

FIGURE 4:
The Dalles Dam



PHOTO CREDIT: US ARMY CORPS OF ENGINEERS

6 U.S. Census Bureau. (2023). *QuickFacts: Klickitat County, Washington*.

7 Klickitat County, Washington. (n.d.). *Klickitat County History*. Klickitat County Government.

8 Canon, M. (2011, June). *Greening the Columbia Gorge*. Wind Systems Magazine.

9 Mulkern, L. (2010, October 18). *Wind is the new cash crop in rural Wash Town*. The New York Times.

10 Mulkern, L., 2010

11 Mulkern, L., 2010

output.¹² In a 2011 article in *Wind Systems Magazine*, Mike Canon, Director of the Economic Development Department for Klickitat County at the time, reflected on the benefits wind resources brought, saying, “Far-sighted leaders in a chronically poor rural county took those bold steps to improve the possibilities for attracting a new industry, and it worked very well.”¹³ While there was relatively little public opposition to proposed wind projects, individual residents have expressed dissatisfaction over the aesthetic changes to the landscape, and environmental groups, like FOCG, were concerned over impacts to the gorge.¹⁴

Existing transmission lines in the region played a key role in attracting early wind development, as they enabled projects to sell their power to California, a state with high renewable energy standards.¹⁵ Consequently, developing new transmission infrastructure was seen as beneficial to the region’s clean energy generation and, by extension, economic development.

Wasco County, Oregon

Wasco County is home to the Big Eddy substation, the transmission line’s southern end point. When established in 1854, it was the largest county in the United States, covering 250,000 square miles.¹⁶ Today, the county spans about 2,400 square miles. In 2010, the population was just over 25,000, with the largest city in the county, The Dalles, serving as the county seat.¹⁷ The Dalles is known for being the town at the end of the Oregon Trail. Wasco County is also a part of CG-BREZ, and while it has considerably fewer renewable energy projects than Klickitat County, more solar and wind projects have been proposed in recent years.

Friends of the Columbia River Gorge

FOCG is a key stakeholder in the area and the signatory of the settlement agreement reached with BPA over the Big Eddy-Knight line. FOCG was created in the early 1980s with

the purpose of protecting the Columbia River Gorge from development. The group played an instrumental role in passing the National Scenic Area designation for the gorge in 1986. Since then, FOCG has worked to uphold protections of the National Scenic Area through coordination with USFS and the Columbia River Gorge Commission, the group responsible for creating and implementing the gorge’s management plan. FOCG also serves as a “citizen watchdog”—their legal team tracks and responds to proposed energy development, gravel mining, residential sprawl, and other activities that may impact the gorge. The group operates a land trust that has conserved 26 sites and over 1,600 acres of land since 2005, transferring many sites to public ownership via purchase by USFS.^{18, 19}

Reserved and Ceded Tribal Land

There are four primary Tribes in the Columbia Plateau region: the Confederated Tribes and Bands of the Yakama Nation (Yakama Nation), the Confederated Tribes of Warm Springs, the Nez Perce Tribe, and the Confederated Tribes of Umatilla Indian Reservation. All four Tribes ceded significant portions of land to the federal government in the Treaties of 1855.

On the Washington side of the Columbia River is the Yakama Indian Reservation, which covers 1.3 million acres of land and encompasses the eastern half of Pahto (Mount Adams). The reservation was created when the Yakama Nation ceded 12 million acres of land to the United States government in 1855.²⁰ The Yakama Nation operates Yakama Nation Fisheries, which was established in 1983 to protect and restore important fish populations and their habitats in the Columbia River.

On the Oregon side of the Columbia River is the Confederated Tribes of Warm Springs, a confederation of the Warm Springs, Wasco, and Paiute Tribes. Traditional lands for the Warm Springs Tribes stretch throughout north central Oregon. In 1855, the Warm Springs and Wasco

12 Mulkern, L., 2010

13 Canon, M. (2011, June). *Greening the Columbia Gorge*. *Wind Systems Magazine*.

14 Durbin, K. (2010, October 10). *Washington’s wind power windfall: The harnessing of Columbia Gorge winds has transformed the landscape and the lives of rural residents*. *The Columbian*.

15 Mulkern, L., 2010

16 Wasco County. (2022). *2040 Comprehensive Plan: Pioneering Pathways to Prosperity*. Wasco County.

17 U.S. Census Bureau. (2020). *QuickFacts: Wasco County, Oregon*.

18 Friends of the Columbia Gorge. (n.d.). *Friends of the Columbia Gorge*.

19 Friends of the Columbia Gorge. (n.d.). *About Friends of the Columbia Gorge Land Trust*.

20 Yakama Nation. (n.d.). *About*.

Tribes ceded 10 million acres of land to the United States government; today, the Tribes' land spans 640,000 acres.

The Confederated Tribes of the Umatilla Indian Reservation lies to the east of the Warm Springs Tribe. In 1855, the Cayuse, Umatilla, and Walla Walla Tribes negotiated a treaty with the United States government, ceding nearly 6.4 million acres in exchange for 250,000 acres, which became the Umatilla Reservation. Additional federal legislation in the late 1800s further reduced the size of the reservation to 172,000 acres, most of which lies just east of Pendleton,

Oregon. In Article I of the Treaty of 1855, the Confederated Tribes of the Umatilla Indian Reservation reserved perpetual off-reservation rights to fish at certain sites, including Celio Falls.²¹

The Nez Perce Tribe resides even further east, primarily in Idaho. During the 1855 treaty negotiations, the Nez Perce Tribe retained approximately 7.5 million acres; however, gold was discovered on the reservation soon after, and the federal government forced the Tribe into further negotiations in 1863, reducing the reservation to 750,000 acres.²²

FIGURE 5:

Reservations and ceded lands of the four major Tribes of the Columbia Plateau

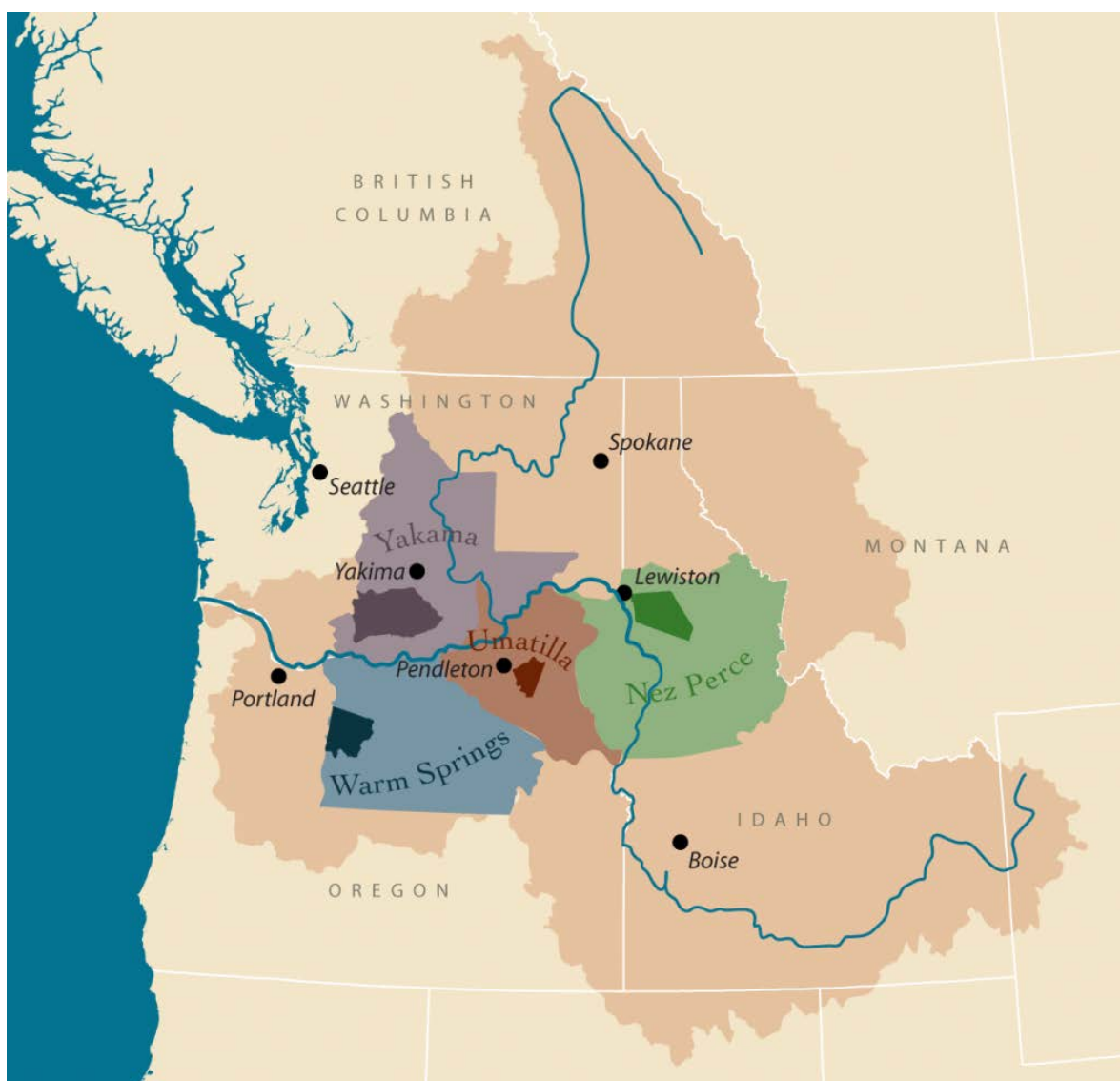


PHOTO CREDIT: COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION

21 Confederated Tribes of the Umatilla Indian Reservation. (n.d.). *History & culture*. CTUIR.

22 Nez Perce Tribe. (n.d.). *History*. Nez Perce Tribe. <https://nezperce.org/about/history/>

Celilo Falls

The Big Eddy-Knight line crosses the Columbia River just east of the historic Tribal fishing grounds of Celilo Falls and the current day Celilo Village through a pre-existing right of way. Today, the area is known as Celilo Lake.

For thousands of years, Celilo Falls on the Columbia River served as a historic fishing ground for many Tribes, including the Nez Perce, Umatilla, Yakama, and Warm Springs Tribes. In fact, Celilo Falls, also called Wy-am, is one of the oldest continuously inhabited communities on the continent.²³ These Tribes had permanent villages on the banks of the river, where nearly 5,000 people would gather during peak season to fish, trade, and socialize. The rushing water and narrow channels generated by the rocky falls created the perfect conditions for fishing Chinook salmon as well as other salmon and fish species. Fishers built wooden scaffolding over the rushing waters and fished using nets and spears.

As European Americans settled in the area, the United States government pushed Tribes off the land and into the reservations mentioned above, although a small group continued to inhabit fishing villages, such as those near Celilo Falls, and to fish at the site under rights established by treaties.²⁴ Over the next one hundred years, industrial activity

in the region grew, including multiple non-native commercial fisheries. Rail lines and a canal were built to allow commercial vessels smoother travel through the river's rapids.²⁵

Development along the river cumulated in 1957 with the most significant project yet: the Dalles Hydroelectric Dam. The Tribes actively tried to defend their fishing grounds and prevent the dam's construction, even testifying before Congress.²⁶ However, the Dalles Dam—which promised to generate electricity, mitigate floods, and improve transportation—ultimately prevailed. The dam was constructed by the United States government eight miles downstream of Celilo Falls, and the Tribes' historic fishing grounds, used for thousands of years, were submerged four hours after the dam's steel doors closed.

The federal government agreed to negotiate compensation to the impacted Tribes for loss of their fishing grounds, and paid the Warm Springs, Yakama, Umatilla, and Nez Perce Tribes \$26.8 million. Those who resided in the historic fishing village at the falls were asked to leave, and those who refused were relocated to the new Celilo Village—neglected army barracks with inadequate infrastructure. Since then, the federal government has made efforts to ensure adequate Tribal fishing sites and renovate the village, but the impact of the loss of the falls can never be undone.

FIGURE 6:
Fishing at Celilo Falls



PHOTO CREDIT: US ARMY CORPS OF ENGINEERS

FIGURE 7:
The Dalles Dam



PHOTO CREDIT: US ARMY CORPS OF ENGINEERS

23 Columbia River Inter-Tribal Fish Commission. (n.d.). *Celilo Falls*. CRITFC.

24 Oregon Historical Society. (n.d.). *Celilo Falls*. Oregon Encyclopedia.

25 Oregon Historical Society, n.d.

26 Portland District Corps of Engineers. (1952, March). *Special Report on Indian Fishery Problem: The Dalles Dam Columbia River, Washington-Oregon*. U.S. Army Corps of Engineers.; Mott, C. (2023). "The Last Victims of the Indian War": Celilo Falls, the Dalles Dam, and Infrastructural Colonization. *Annals of the American Association of Geographers*, 114(1), 91–106.

FIGURE 8:

Submerged site of Celilo Falls and Big Eddy-Knight Transmission Line in View



PHOTO CREDIT: NATIONAL PARK SERVICE

Regulatory Environment

Federal Requirements

- **National Environmental Policy Act (NEPA):** Because BPA—a federal agency—was the developer of the line, the Big Eddy-Knight project was subject to NEPA requirements. BPA was the lead agency coordinating the environmental impact statement (EIS), with the State of Washington Energy Facility Site Evaluation Council and State of Oregon Department of Energy serving as cooperating agencies. Because the line crossed USFS land, USFS was also responsible for environmental review sufficiency.
- **Columbia River Gorge National Scenic Area Act:** Under the Columbia River Gorge National Scenic Area Act, USFS was responsible for making a determination that the portions of the project located in the Columbia River Gorge National Scenic Area were consistent with the provisions of the Columbia River Gorge National Scenic Area Act.
- **Endangered Species Act:** Four federally protected fish species under the Endangered Species Act had the potential to occur in the project area, and the project had the potential to impact migratory birds protected by the Migratory Bird Treaty Act through increased potential for power line collisions, loss of habitat, potential disruption of navigational mechanisms by electromagnetic fields, and potential disruption of breeding if temporary construction activities occur during the breeding season.
- **National Historic Preservation Act (NHPA):** Construction of the transmission line and related facilities had the potential to affect historic properties and other cultural resources. Section 106 of the NHPA requires federal agencies to take into account the effects of their undertakings on historic properties and afford the Advisory Council on Historic Preservation (another federal agency) a reasonable opportunity to comment. For BPA to undertake a type of activity that could affect historic properties, it had to consult with the appropriate

State Historic Preservation Officer(s) and/or Tribal Historic Preservation Officer(s) to make an assessment of adverse effects on identified historic properties. For the Big Eddy-Knight project, BPA conducted initial cultural resources surveys before construction to determine if any cultural resources were present and would be impacted. If, during construction, previously unidentified cultural resources that would be adversely affected by the proposed project were found, BPA was required to follow all required procedures set forth in NHPA and other cultural resources statutes. For sites that could not be avoided, BPA had to consult with federal and state agency landowners and the Oregon or Washington State Historic Preservation Officer, evaluate effects, and apply appropriate mitigation measures.

State Requirements

- **State Approvals:** As a federal agency, BPA was not subject to state and local zoning and permit requirements due to the supremacy clause of the Constitution. Nonetheless, the agency planned the project to be consistent or compatible to the extent practicable with state plans and programs and to meet or exceed the substantive standards and policies of state regulations. BPA also provided project information relevant to state permitting processes to state entities with a potential interest in the project.

THE PROCESS

NEPA Environmental Impact Statement

Because the Big Eddy-Knight project was developed by a federal agency, crossed federal and Tribal land, and passed through a National Scenic Area, the project was subject to federal environmental review under NEPA. Numerous public and Tribal entities were involved in the NEPA process, including federal entities like USFS, state entities such as Washington Energy Facilities Site Evaluation Council and the Oregon Energy Facility Siting Council, and Tribal governments. At the local level, BPA held monthly meetings with county commissioners, quarterly meetings with the Mayor of Goldendale, and meetings with the Columbia River Gorge Commission.

BPA published the Notice of Intent in May 2009, describing the project and its purpose, benefits, and contributions to wind power in the Northwest.²⁷ Most of the ensuing community outreach took place in the form of public comment periods and meetings as required under NEPA.

BPA first issued the draft EIS in December 2010 and received about 400 comments in the public comment period through written submissions and at open houses in Goldendale and The Dalles.²⁸ Many comments pertained to preferred routes, viewshed impacts, impacts of towers on farmland and property values, and impacts on birds. Several comments also expressed concern over the proposed routing through the Columbia River Gorge National Scenic Area, with many residents expressing deep attachment to the natural beauty and views of the gorge. Some questioned what compensation landowners would receive, even if the line did not directly cross their lands.²⁹ Other comments specifically asked for mitigation funds for property values diminished by the line. Notably, while many comments expressed concern over the specific routing of the line, they did not express blanket opposition to the line itself.

BPA published the final EIS in July 2011 and issued the Record of Decision in September 2011.³⁰ The settlement agreement, described below, was signed a few months later in December 2011.

27 Bonneville Power Administration. (2009, May). *Notice of intent: Big Eddy-Knight transmission project*. U.S. Department of Energy.

28 Bonneville Power Administration, 2011

29 Bonneville Power Administration. (n.d.). *Public comments on Big Eddy-Knight transmission project*. U.S. Department of Energy.

30 Bonneville Power Administration, 2011

Land Acquisition and Landowner Compensation

As a federal agency, BPA possesses eminent domain authority; however, BPA prioritized voluntary agreements, through easements and rights-of-way, with landowners before resorting to eminent domain. As part of the initial conversations, BPA discussed appraisals for the land with landowners. Many landowners in the area were familiar with the lucrative payments wind developers offered landowners for leasing their property at the time. As Doug Johnson, spokesman for BPA, explained, BPA had limited ability to pay landowners above fair market value, noting, “We offer cost-based rates. Any money that we spend, any funds that we spend related to our transmission system, have to be watched closely.”³¹

Many landowners expressed frustration over how fair market value was established, and some landowners wanted additional compensation for the impact to the viewshed. BPA offered \$1,400 per acre for easement rights, but some residents reported that they paid double that for other properties.³² Johnson reported that BPA offered appraisals above the market value for 19 properties, but only three of those 19 landowners accepted the offer. In April 2012, they sent out “ultimatum” letters to the final group of landowners with one final offer before they would employ eminent domain. Many residents felt pigeon-holed; as one resident explained, “It gives us no more room for negotiation.” BPA did eventually employ its eminent domain authority for a number of properties.

ENGAGEMENT DETAILS

Emmanuel Jaramillo, the project developer for BPA, was involved with the project from conception through completion. He explained that, overall, the public understood that the line was needed to relieve congestion and facilitate growing wind energy production, but that there were still several groups that expressed concern over specific aspects of the line.³³ Engagement primarily consisted of outreach and consultation with landowners, Tribes, and county officials as well as public outreach during the siting and environmental review process.

Klickitat County

According to David Sauter, a Klickitat County commissioner at the time, the county was supportive of the transmission line because it enabled further regional wind energy development, which was generally associated with economic benefits.³⁴ However, the county’s greatest concerns surrounded the selected route, which, of the three routes that were proposed, would impact the most private landowners as well as the county. Throughout the siting process, county planners engaged in conversation with BPA. Because the county had a few years of experience

reviewing and permitting large energy projects, the county already had significant internal staff capacity to engage and review energy and infrastructure projects at this scale.

The line was also routed through the land of a county-owned quarry. BPA offered the county compensation for the land, as they did for private landowners, but the county was not satisfied with the amount they were compensated. BPA, however, felt they adequately compensated the county for its impacts from the line. In a 2013 article, BPA’s Jaramillo said, “What we’ve done as a kind of a public outreach effort is to provide facts on how the project has benefitted the county... We’ve spent about \$2.1 million on the county roads for enhancement. We’ve actually gone above and beyond to enhance some of the county roads. For example, Fish Hatchery Road, we spent \$800,000 on that and paved certain areas not required by the project, but we felt that we wanted to put that road into good shape. But those are kind of the little tidbits that never make it to the paper.”³⁵

Aside from compensation for their property, the county was generally pleased with their experience engaging with BPA

31 Marzeles, L. (2012, April 17). *Hill: BPA sends out final ultimatum letters*. Goldendale Sentinel.

32 Marzeles, L., 2012

33 Interview with Emmanuel Jaramillo, Project Manager, BPA on December 9, 2024

34 Interview with David Sauter, former Klickitat County commissioner on November 22, 2024

35 Marzeles, L. (2013, Nov 12). *BPA: We want to be good neighbors*. Goldendale Sentinel.

and its contractors throughout the development of the line. They felt the contractors did a good job engaging respectfully with the public, constructing the line, repairing damage, and cleaning up post-construction. They also experienced a short-term economic benefit from the influx of construction workers in hotels and at restaurants, as well as longer term economic benefits of a stronger tax base and more jobs from the enabled additional clean energy development.

Tribal Engagement

BPA and the Yakama Nation first began meeting in February 2011 to determine issues to be addressed around the project, before beginning formal government-to-government consultation in August 2011.³⁶ Public comments submitted by the Yakama Nation after BPA published the final EIS in September 2011 explained their concerns over impacts of wind energy projects on natural and cultural resources within their ceded lands.

The Tribe was concerned over the cumulative impacts of wind development, based on the premise that the transmission line would create opportunities for additional wind projects, and wanted BPA to consider these potential impacts. However, BPA held that, under NEPA requirements, additional wind projects were not within scope of the NEPA review, and that each proposed wind interconnection into BPA's transmission system would require a separate NEPA review.³⁷

Following engagement with Tribes, BPA adjusted the project to mitigate impacts to the culturally sensitive and significant area near Celilo Falls. BPA implemented strict control measures that placed boundaries on the work area, collaborating with the Yakama Nation Cultural Resources Program to protect cultural resources.³⁸ During construction, Yakama leaders visited the sites to audit and ensure BPA and its contractors were keeping in line with agreed-upon measures.³⁹

After construction began in fall 2011, local Tribes brought forth new information about impacts of the line and towers to culturally sensitive areas, leading BPA to announce a project delay in June 2012.⁴⁰ Work was paused while BPA reevaluated and worked with the Yakama Nation to make adjustments, which were evaluated in a supplemental EIS in November 2012.⁴¹ These changes included adjusting the location of certain towers, removing towers, and adjusting access roads.

In late 2013, a property owner identified potential Tribal cultural resources on his property where BPA planned to construct a tower and invited the Yakama Nation to survey his land. The Tribe identified a cave on the site which had drawings of four human-like figures on the wall.⁴² Once again, work on this area was paused while BPA reevaluated (construction continued on other parts of the project). BPA later announced redesigns of components of the tower, informed by consultation with the Yakama Nation.⁴³ In a news article, BPA apologized and committed to mitigating impacts of the line on the cultural site.⁴⁴

The discoveries of cultural resources along the route, along with additional impact to historic Tribal lands, created some tension between Tribes and BPA throughout the process.

36 Bonneville Power Administration, 2011

37 Bonneville Power Administration, 2011

38 Bonneville Power Administration. (2021, November 5). *Meet BPA's Tribal Affairs team*. U.S. Department of Energy.

39 Bonneville Power Administration, 2021

40 Bonneville Power Administration. (2012, June 20). *Public letter: Big Eddy-Knight transmission project*. U.S. Department of Energy.

41 Bonneville Power Administration. (2012). *Supplement analysis 2: Big Eddy-Knight transmission project*. U.S. Department of Energy.

42 Northwest News Network. (2013, August 1). *Historic site, cave art delay transmission line*. Northwest News Network.

43 Bonneville Power Administration, 2012

44 Marzeles, L., 2013

SETTLEMENT AGREEMENT BETWEEN FOCG AND BPA

FOCG and BPA reached a settlement agreement in December 2011, a few months after BPA published its Record of Decision. FOCG had engaged on many of BPA's prior projects in the region and their team had submitted comments on projects including wind facilities, interconnection agreements with BPA, natural gas power plants, and residential development. FOCG has brought legal action against several proposed actions in the Columbia River Gorge.⁴⁵ Unlike other organizations in the region, FOCG was well versed in federal environmental permitting and had established legal expertise. FOCG closely monitors any activity within the Columbia River Gorge National Scenic Area, including environmental reviews, and had submitted responses on the project during public comment periods.

Interestingly, a settlement agreement was established proactively, with no precipitating event like a lawsuit being filed. According to Rick Till, an attorney for FOCG at the time,

BPA reached out to FOCG regarding their public comment on the draft EIS to discuss the idea of a settlement.⁴⁶

Although FOCG had been engaged on projects in the region for years, this kind of outreach from a developer such as BPA was an atypical experience for the organization. A settlement agreement was also uncommon for BPA – the funding that BPA provided for the settlement agreement was not allocated within its budget and was beyond the funds for mitigation already allocated for the line.

Jaramillo explained that BPA thought the need for the settlement agreement was apparent, as they anticipated opposition from the organization, along with opposition from local agencies and Tribes.⁴⁷ Negotiating a settlement agreement before litigation or opposition allowed BPA to maintain positive working relationships with agencies and organizations in the area, prevent delays, reduce litigation risk, and likely save on long-term costs. From FOCG's perspective, they viewed the line as inevitable, so a

FIGURE 9:
Big Eddy-Knight Transmission Line Construction



PHOTO CREDIT: BONNEVILLE POWER ADMINISTRATION

⁴⁵ Friends of the Columbia Gorge. (n.d.). *Columbia River Gorge National Scenic Area case law*. Friends of the Columbia Gorge.

⁴⁶ Interview with Rick Till, former attorney for FOCG on December 17, 2024

⁴⁷ Interview with Emmanuel Jaramillo, Project Manager, BPA on December 9, 2024

settlement was an ideal situation. FOCG's Director at the time, Michael Lang explained, **"In our analysis, the project was going to go forward, there really was no stopping it. It was a matter of reducing the impacts and then offsetting and mitigating for those impacts."**⁴⁸

According to FOCG, BPA was professional about their outreach and approach with the organization. FOCG felt BPA was sensitive to concerns around construction impacts inside the scenic area; however, they were less willing to discuss concerns outside the scenic area. For FOCG, the cumulative impact of additional energy projects resulting from the line was one their greatest concerns, which reflected many concerns voiced in public comments by Tribal groups. BPA, meanwhile, maintained that new development spurred by the line was incidental to the project's fundamental purpose and did not need to be considered.⁴⁹

Settlement Details

BPA and FOCG met over the course of a few months to discuss mitigation efforts. Under the agreement reached, BPA created a fund of \$1.78 million that BPA would manage but make available for FOCG and other stakeholders for the purpose of carrying out mitigation-related projects. As part of

the agreement, FOCG agreed not to initiate, join in on, or support any legal or other challenge to the project. The settlement also states that the settlement agreement would be halted or modified should a third-party legal challenge result in the project being withdrawn or modified.

The settlement agreement also included a list of three agreed-upon measures that would be prioritized under the mitigation fund. These measures included: 1) the acquisition of land in or near the scenic area for protection to be managed by a land trust or a state or federal agency; 2) the removal of visually discordant features within or near the Columbia River Gorge National Scenic Area, including buildings, utility features, structures, or other disturbed areas; and 3) the underground burial of existing utility lines, such as distribution lines and telephone lines, owned by non-federal utilities.

FOCG was responsible for submitting proposals for projects covered by the mitigation fund agreement to BPA for review, and BPA aimed to give decisions within 60 days of receiving the proposal. Projects could be proposed and implemented by any interested party, not just FOCG. BPA would then disburse the funds directly to the entities who would carry out the project.

IMPLEMENTATION OF MITIGATION FUND

Included in FOCG's initial proposal to BPA was the acquisition of two sites—one in Wasco County, Oregon and one in Skamania County, Washington. FOCG's proposed acquisition of parcels alone was estimated to cost \$1,029,000.⁵⁰ In the case of land acquisition, funds would be disbursed to the separate entity, Friends of the Columbia River Gorge Land Trust, or to another land trust entity, such as The Nature Conservancy or the Trust for Public Land.

Klickitat County was not directly involved in any discussions around the settlement agreement, but they were aware that FOCG was discussing which projects to propose to BPA. In February 2013, after BPA announced its intended land acquisitions, County Commissioners David Sauter and Jim

Sizemore wrote a public letter to BPA explaining their frustration that mitigation measures the county preferred were not part of FOCG's proposed projects: "Klickitat County asks the BPA to reconsider its approach to making mitigation funding and condemnation funding decisions. Decisions on mitigation should address impacts within the host County and should be fair to the property owners over which BPA is constructing Big Eddy-Knight Transmission Project."⁵¹ For example, the county wanted funding for the utility district to put lines underground and were frustrated when such significant pools of money were dedicated toward land acquisition rather than other projects. They also expressed concern that the project costs proposed by FOCG were inflated.

48 Northwest News Network, 2013

49 Bonneville Power Administration. (2011, July). *Final environmental impact statement: Cascade Crossing Transmission Project (DOE/EIS-0421, Vol. 3)*. U.S. Department of Energy.

50 Brumley, D. (2013, April 3). *Klickitat officials express surprise at Friends of the Gorge-BPA settlement*. Columbia Gorge News.

51 Brumley, D., 2013

In response to the letter, FOCG Executive Director Kevin Gorman clarified that their goal was to prioritize projects that provided scenic enhancement in the Columbia River Gorge National Scenic Area, rather than direct mitigation measures to the impacted area that the county wanted to prioritize.⁵²

Four months later, in June 2013, FOCG announced that they submitted another \$347,000 funding proposal to BPA that would be used to remove two power lines. This proposal was in line with the projects the county had initially recommended for the mitigation fund. However, the amount FOCG proposed to BPA for the projects was less than what the county had initially proposed.⁵³ One portion of the funds, \$32,000, would be used to remove 44 utility poles and accompanying de-energized wires, which would reduce scenic impacts through a popular recreation area on USFS land. The remaining funds, \$315,000, would be used to reconstruct a portion of a power line that crosses an area of the Klickitat River popular for bald eagle watching and hiking. During reconstruction, upgrades would also be made to the line to improve reliability.

None of the interviewees had clear insight into how the remaining funds were used, but recognized that funds disbursement was a multiphase, multi-year initiative.

Perception of the Settlement

The general public was not aware of the settlement agreement until it was announced. Many perceived it as FOCG finding a way to get money they wanted, a sentiment that stemmed from prior contention in the community around environmental groups, energy infrastructure projects, and settlement agreements in the region. Some felt that it was a way to prevent litigation on the line rather than provide meaningful benefit to impacted landowners and neighbors.

As discussed earlier, BPA had limited ability to provide additional compensation above fair market value for the rights-of-way. However, landowners who had been frustrated over what they felt was unfair compensation for impacts on their land were increasingly frustrated when they learned of the settlement agreement with FOCG, which had largely been negotiated in private. Jaramillo of BPA described community members' sentiments in a 2013 article: **"The wind developers come in, and they have the ability to pay much more for these rights or land rights than we do. And everything, a lot of the conversations are prefaced on, 'Well, you can give the Friends of the Gorge millions of dollars, but you can't give the landowner an extra 20,000 bucks.' And you know, we can't. It's apples and oranges between the settlement and why we did that versus the acquisition of a right of way."**⁵⁴

Klickitat County was similarly frustrated with the settlement agreement. County Commissioner David Sauter explained that the county was concerned that the mitigation measures agreed to in the settlement would not actually mitigate direct impacts along the line route. He said the county had seen mitigation impacts 50 miles away from actual project sites and felt that such an approach would not be adequate in this project's case.⁵⁵

When asked if the settlement agreement was perceived as an overall added benefit to the community, Sauter said no. He felt the dollars could have been used for mitigation projects more beneficial for the community, such as undergrounding lines.

⁵² Brumley, D., 2012

⁵³ Mitchell, B. (2013, June 18). *New Big Eddy-Knight proposal includes KPUD transmission lines*. Goldendale Sentinel.

⁵⁴ Marzeles, L., 2013

⁵⁵ Interview with David Sauter, former Klickitat County commissioner on November 22, 2024

IMPACT OF THE SETTLEMENT AGREEMENT

Impact on Project Timeline and Costs

Jaramillo explained that the effectiveness of the settlement agreement and agreements with the Tribes is a mixed bag.⁵⁶ The proactive approach to mitigation helped reduce opposition and delays. However, many of these concerns could have been prevented all together through improved processes at BPA and in the environmental review process.

Jaramillo stated that while the agreements reached with the Tribes and the settlement agreement with FOCG were beneficial in moving the project forward, they were just one part of the solution. He identified many actions at the federal level that could have been more effective at streamlining the project timeline, including earlier stakeholder engagement. In addition, federal agencies had to make decisions and interpretations around the Columbia River Gorge National Scenic Area Act that added months to the timeline and that

could only be remedied at the highest level, and such a complex project required coordination across numerous federal, Tribal, state, and local agencies. On the flip side, Jaramillo said that BPA had balanced the needs of the project against broader goals. While the project could have moved faster, speed could have compromised relationships with federal agencies, Tribes, and other stakeholders.

In the years following this settlement agreement, BPA has worked to improve its practices around realty and land acquisition. A U.S. Department of Energy Inspector General audit in 2016 uncovered issues such as negotiation before final appraisals, missing documentation, and inconsistent acquisition approvals. While BPA remains limited in flexibility in how they determine fair market value, they have increased transparency and communication with landowners.⁵⁷

CONCLUSION

Although the proactive approach on BPA's part to mitigate impacts and get ahead of potential opposition or litigation was admirable and successful at preventing litigation, there remain valid concerns on the part of the community as to whether the agreements could have better benefited those most impacted by the line. The settlement agreement and implementation of the mitigation fund that resulted from the agreement were negotiated with a regional organization, FOCG, whose priorities aligned with the community's long-term goals of conservation and watershed protection. However, community members and local government leaders expressed concern that the mitigation measures that resulted from the agreement did not directly mitigate project impacts to properties and landowners in its path. This story suggests that mitigation measures could have been more impactful had they been developed with a broader range of community representatives.

While BPA was able to deliver a community benefits framework, it is largely limited in its flexibility to financially compensate landowners and deliver additional benefits to a community. The creation of the mitigation fund suggests that creative solutions are possible, and that reducing potential delays from litigation are a co-benefit of community benefits frameworks. Further research can uncover the authorities federal power marketing administrations have in offering community benefits, and those that could potentially be expanded.

⁵⁶ Interview with Emmanuel Jaramillo, Project Manager, BPA on December 9, 2024

⁵⁷ U.S. Department of Energy. (2016, January). *Audit report: Bonneville Power Administration's Real Property Services (OAI-M-16-04)*. Office of Inspector General.