Application for Use of State-owned Aquatic Lands

Applicant Name: PUD No. 1 of Snohomish County
County: Island County
Water Body: Admiralty Bay
Type of Authorization - Use: Easement – Pilot Tidal Energy
Authorization Number: 51-088953
Term: 5 years

Description: This agreement will allow the use of State-owned aquatic lands for the sole purpose of a Tidal Energy Pilot Project. It is located in Admiralty Bay, in Island County, Washington.
APPLICATION FOR AUTHORIZATION TO USE STATE-OWNED AQUATIC LANDS

No work can be started on the project area until a use authorization has been granted by the state Department of Natural Resources.

I. SUBMISSION OF APPLICATION

This application form will be reviewed by the state Department of Natural Resources upon receipt at the address given below, and also posted on the DNR website as public information. Applicants will be notified in writing if the application will be accepted for further review. However, this application may be rejected at any time before signed execution of a use authorization.

APPLICATION MUST BE FILLED OUT IN BLUE OR BLACK PEN

Please send the completed application form to your region land manager at:

Washington State Department of Natural Resources
[Region/District Address]

Enclose a $25.00 non-refundable application processing fee with the application. (This fee is not required for local, state, and other government agencies).

II. APPLICANT INFORMATION

Date of Application: May 22, 2012

Authorization to be Issued To (how name is to appear in the lease document): PUD No. 1 of Snohomish County

Applicant’s Representative: Craig Collar

Relationship to Applicant: Senior Manager, Energy Resource Development

Address: P.O. Box 1107  
City: Everett  
State: WA  
Zip Code: 98203

Telephone: 425-783-1825  
Fax: 425-391-6977  
E-Mail: cwcollar@snopud.com
II. APPLICANT INFORMATION cont'

Department of Revenue Tax *Registration Number (Unified Business Identifier) is Required: 91-6001034

Which of the following applies to Applicant (Check One and Attach written authority to sign - bylaws, power of attorney, etc):

Corporation ☐  Limited Partnership ☐  General Partnership ☐
State of Registration:  State of Registration:  State of Registration:

Sole Proprietorship ☐  Marital Community Spouse ☐  Government Agency ☐

Other ☒ (Please Explain:) Public Utility District (Municipal Corporation)

Has the site use been authorized before or is it currently under lease? Yes ☐  Lease Number:  No ☒  Don't Know ☐

III. LOCATION

The Body of Water on which the state property is located: Puget Sound – Admiralty Inlet

County in which the state property is located: Island

Section: 22  Township: 31N

Range: 01  E ☒ or W ☐

Note: A legal property survey including the legal description and other information about the property is required to obtain a use authorization. WA DNR survey requirements are attached to this form. The survey plat will be attached to the lease/lease as Exhibit A. DO NOT HAVE THIS SURVEY CONDUCTED UNTIL YOU HAVE BEEN NOTIFIED IN WRITING THAT THE APPLICATION HAS BEEN ACCEPTED FOR PROCESSING.

Physical description of Project Area (For example, Marsh, Tideflat adjacent to the Chehalis River, etc.): Bed of Puget Sound, and shorelands adjacent to Puget Sound.

Name of Owner(s) of Uplands, Shorelands, and/or Tidelands shoreward and adjacent to the Property: There are several land owners adjacent to Admiralty Inlet. Ms. Jessie Valentine owns the shorelands that will be used for the project.

Address: 13254 SR-20  City: Coupeville  State: WA  Zip Code: 98239

Phone Number:  Fax Number:  E-mail:

Note: Except for property located within established Harbor Areas, proof of ownership, or authorization to use the adjacent tideland, shoreland, or upland property may be required. If the applicant is the owner of the adjacent land, attach a copy of the deed.

County Parcel No(s). for adjacent properties, upland, and/or adjacent tideland properties: S6370-00-62001-0
IV. USE OF PROPERTY

Describe, in detail, the proposed use of the Property:

The proposed project is the Admiralty Inlet Pilot Tidal Project. This project would temporarily place two 6-meter diameter tidal energy turbines, two electrical transmission and data cables, and two semi-permanent anchors in a high-current area approximately 58 meters deep and 1 kilometer offshore of Admiralty Head, (Whidbey Island) Washington. The electrical cables will be directly laid on the sea floor to approximately the 19-meter depth contour, at which point they will be connected to shore through a horizontally directionally drilled (HDD) conduit. The project also includes one 720 square foot power control building to house electrical equipment. The structure will be constructed on private property approximately 320 feet from the OHWM.

The primary goal of this pilot project is to conduct research and gather data relevant to evaluating viability of tidal energy generation in the future.

Is or will the Property be subleased to another party? Yes ☐ No ☒
If yes, submit a copy of the sublease agreement.

What are the current and past uses of the site? The marine property is located within Admiralty Inlet, a commercial waterway. The on-shore property is privately owned and is currently residential use.

Do you have any knowledge of contamination of the site by toxic or hazardous substances, or of past uses or practices that might have lead to contamination by such substances? Yes ☐ No ☒
If so, please explain:

Do you know if any fill material has been placed on the property in question? Yes ☐ No ☒
If yes, please explain:

V. IMPROVEMENTS

Physical improvements are structures placed on the land that cannot be removed without damage to the land. Examples of such structures include: pilings, dolphins, piers, wharves, piling-supported buildings, structures built on fill or concrete foundations, buried pipelines and cables; and support structures for bridges.

What physical improvements currently exist on the site? (Photos may be required.) The on-shore private property currently contains one single family residence and one detached garage. The marine portion of the site does not currently contain physical improvements.

If there are physical improvements currently on the site, who owns them? The on-shore property and improvements thereupon are privately owned by Ms. Jessie Valentine.

If there are physical improvements currently on the site, describe their condition: The current residence is a historic property built in 1910. It has been remodeled and is currently in good condition. The detached garage was added at an unknown later date and is currently in good condition.
Which, if any, of the existing physical improvements will be removed, remodeled, or reconstructed?

None of the existing physical improvements will be modified for this project.

Describe any physical improvements that the applicant is proposing to construct on the site:

The proposed pilot project will include the temporary installation of two 6-meter diameter tidal turbines approximately 1 kilometer offshore and two subsea electrical transmission cables running from the turbine locations to approximately 19 meters offshore, where they will be connected to shore underground through an HDD conduit. The turbines and subsea cables will be placed directly on the sea floor with no piling or piling proposed. The turbines will be removed at the completion of the project license (maximum of 10-years).

Physical improvements as defined above will include two semi-permanent anchors to aid in post-installation monitoring of the turbines, and the HDD portion of the subsea cable. A subsea cable termination vault will be installed on the private property where the cable will be connected to existing Puget Sound Energy electrical infrastructure.

An approximately 720 square foot power control building is also proposed as part of the project, however it will be located approximately 320 feet landward of the OHWM. The building will house electrical equipment necessary to control the power generated by the turbines. At the conclusion of the project, the equipment will be removed and the structure will be retained by the property owner for use as a garage.

Has any fill material been placed on the site? Yes □ No □

If Yes, please describe:

VI. LOCAL, STATE, AND FEDERAL REGULATORY PERMITS

Copies of all Government Regulatory Permits, or Permit Waivers Are Required Before Issuance of a DNR Use Authorization. Your project may require all or some of the following:

Please include the following permit applications, permits, or waivers with the application:

JARPA (Joint Aquatic Resource Permit Application) - This one form is used to apply for all of the following individual permits:

1. Section 10 Permit (Required by the US Army Corps of Engineers for any work in or affecting navigable waters, e.g., floats, docks, piers, dredging, pilings, bridges, overhead power lines.)
2. Shoreline Substantial Development, Conditional Use, Variance Permit or Exemption (Issued by Local Government, and is required for work or activity in the 100 year flood plain, or within 200 feet of the Ordinary High Water mark of certain waters; and which included any one of the following: dumping, drilling, dredging, filling, placement or alteration of structures or any activity which substantially interferes with normal public use of the waters.)
3. Hydraulic Project Approval (Required by the Department of Fish and Wildlife if the project includes work that will use, divert, obstruct, or change the natural flow or bed of any fresh or salt water of the state.)
4. Section 404 Permit (Required by the US Army Corps of Engineers if your project will discharge or excavate any dredged or fill material waterward of the Ordinary High Water mark or the Mean Higher High Tide Line in tidal areas.)
5. Section 401 Water Quality Certification (Required by the Department of Ecology if a Section 404 permit is required.)

NPDES (National Pollutant Discharge Elimination System Permit) - Required by the Department of Ecology under delegated authority from the Federal Environmental Protection Agency for projects that include the discharge of fluid on or
into surface water.

**SEPA (State Environmental Policy Act) Checklist and Environmental Assessments** - When you submit a permit application to any agency, if the project is not exempt, the lead agency will ask you to fill out an environmental checklist. Based on checklist answers and the reviewers’ knowledge of the project site, agency personnel will determine the types of impacts the project may have on the environment. The agency assessments may be the following forms: Determination of Non-significance, Determination of Significance, scoping documents, draft or final Environmental Impact Statements (EIS) or others prepared for the purpose of compliance.

Describe any habitat mitigation required by any of the permitting agencies identified above and identify where such mitigation is proposed to occur. The currently proposed mitigation is described in the Final License Application filed with the Federal Energy Regulatory Commission (FERC) on March 1, 2012 (Docket No. P-12690). FERC is expected to issue its NEPA documentation, including any additional mitigation requirements, in late summer or early fall 2012. The District is the lead agency for SEPA, and we expect to issue our SEPA determination, including any additional mitigation requirements, in late summer or early fall 2012.

All answers and statements are true and correct to the best of my knowledge.

<table>
<thead>
<tr>
<th>Applicant Name (please print):</th>
<th>Title:</th>
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<tbody>
<tr>
<td>Craig Collar, PUD No. 1 of Snohomish County</td>
<td>Senior Manager, Energy Resource Development</td>
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<tr>
<th>Applicant or Authorized Signature:</th>
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<td>[Signature]</td>
<td>5/31/12</td>
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**REVIEWED BY:**

[Signature]

**DATE:** 5/31/12
Records of Survey are required for easements and leases granted by the department for:

- County roads
- Highways
- Easements across high value lands
- Easements across transition lands
- Utilities
- Upland leases
- Communication sites
- Drainage or irrigation easements
- Railroads
- Aquatic land uses: exemptions are provided for recreational docks and mooring buoys per RCW 79.105.430 and for those permits issued as a Right of Entry
- Other grants as determined by the department based upon site specific considerations

The applicant is responsible for:

- All costs and work associated with creating, submitting, revising and recording the Record of Survey
- Submitting a preliminary Record of Survey for review and approval by the department prior to approval of the agreement.
- Recording the final Record of Survey with the county auditor’s office.
- Submitting a digital copy in AutoCAD.DWG or DXF (drawing exchange format) of the final survey.
- Submitting two full size copies and one 8 ½ X 11” copy and of the recorded survey including the auditor’s recording information to the department.

A Record of Survey must:

1. Be produced by a licensed surveyor.
2. Meet the requirements of Title 58 RCW and Chapter 332-130 WAC.
3. Include the name of the applicant, the purpose of the easement or lease and the DNR easement or lease number.
4. Clearly show easement or lease boundaries with distances and directions of all boundary lines.
5. Show the easement or lease area to an accuracy of (±) 0.5% of the total area or (±) 10 square feet, whichever is greater.
6. (Not required for aquatic lands lease across the bed of Puget Sound or the Pacific Ocean) Indicate the acreage encompassed by the lease or easement within each quarter-quarter section or government lot.
7. Show distances and directions from two or more controlling corners of a recorded subdivision, recorded survey or government survey (GLO) corners.
8. Be related by meridian and coordinate to the Washington Coordinate System NAD’83(1991) by closed ties to NOS Control monuments, or the extension thereof. The designation of the control stations used shall appear on the plat.
9. Include a narrative legal description describing the servient estate (grantor’s parcel) on the Record of Survey.
10. Show a detailed plan of improvements to be constructed or already existing on the easement or lease area. All improvements must be shown in sufficient detail to determine what they are used for and to ensure they are entirely within the easement area.
11. Show the location of any proposed utility.
12. (Linear lease or easement) Show the lineal footage along the centerline.
13. (Linear lease or easement) Show the complete alignment information and width including any necessary curve data.
Every attempt was made to use the most accurate and current geographic data available. However, due to multiple sources, scales, and the currency of the data used to develop this map Washington Department of Natural Resources cannot accept responsibility for errors and omissions in the data. Furthermore, this data is not survey grade information and cannot be substituted for an official survey. Therefore, there are no warranties that accompany this material.
OpenHydro Turbine

OpenHydro Turbine – Front, Side, and Plan Views
(dimensions in meters)