



# **Report to the Legislature**

## **Water Power License Fees**

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Expenditures, Recommendations, and  
Recognition



DEPARTMENT OF  
**ECOLOGY**  
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*by*

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# Executive Summary

Chapter 286 of the laws of 2007 incorporated Substitute Senate Bill (SSB) 5881, an act relating to water power license fees. This law increased fees for the use of Washington's waters to produce power. Until Chapter 286 became effective on July 27, 2007, water power license fees had remained the same since 1929. One of the main goals of the legislation is to provide the necessary resources to allow the Washington Department of Ecology (Ecology) and the Washington Department of Fish and Wildlife (WDFW) to be more responsive to the hydropower industry and to ensure that the state is taking needed steps to protect state waters' designated uses.

To justify the appropriate use of fees collected under the Revised Code of Washington (RCW) 90.16.050, Ecology is required to submit a biennial progress report to the appropriate committees of the Legislature. The report describes the progress made in three areas:

1. How license fees were expended in the current biennium and expected workload in the next biennium.
2. Any recommendations related to the license fees.
3. Recognition of hydropower projects that exceed their environmental regulatory requirements.

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# Introduction

In the 2007, the Washington State legislature passed Substitute Senate Bill (SSB) 5881 to increase water power license fees. Chapter 286 of the laws of 2007 incorporated, an act relating to water power license fees. The bill amended the Revised Code of Washington (RCW) 90.16.050 and 90.16.090 allowing Ecology to revise the annual fee for hydroelectric projects' use of water in Washington State. Until SSB 5881 became effective on July 27, 2007, water power license fees had remained the same since 1929. One of the main goals of the legislation is to provide the necessary resources to allow the Washington Department of Ecology (Ecology) and the Washington Department of Fish and Wildlife (WDFW) to be more responsive to the hydropower industry and to ensure that the state is taking needed steps to protect our waters' designated uses. The water power license fees help fund agency staff to develop and implement environmental protection, mitigation, and enhancement measures included in FERC-issued hydroelectric project licenses.

To justify the appropriate use of fees the state collects under RCW 90.16.050, Ecology is required to submit a biennial progress report to the appropriate committees of the Legislature. The full text of RCW 90.16.050 is as follows:

**RCW 90.16.050: Use of water for power development — Annual license fee — Progress report — Exceptions to the fee schedule.**

(1) Every person, firm, private or municipal corporation, or association hereinafter called "claimant", claiming the right to the use of water within or bordering upon the state of Washington for power development, shall on or before the first day of January of each year pay to the state of Washington in advance an annual license fee, based upon the theoretical water power claimed under each and every separate claim to water according to the following schedule:

(a) For projects in operation: For each and every theoretical horsepower claimed up to and including one thousand horsepower, at the rate of eighteen cents per horsepower; for each and every theoretical horsepower in excess of one thousand horsepower, up to and including ten thousand horsepower, at the rate of three and six-tenths cents per horsepower; for each and every theoretical horsepower in excess of ten thousand horsepower, at the rate of one and eight-tenths cents per horsepower.

(b) For federal energy regulatory commission projects in operation, the following fee schedule applies in addition to the fees in (a) of this subsection: For each theoretical horsepower of capacity up to and including one thousand horsepower, at the rate of thirty-two cents per horsepower; for each theoretical horsepower in excess of one thousand horsepower, up to and including ten thousand horsepower, at the rate of six and four-tenths cents per horsepower; for each theoretical horsepower in excess of ten thousand horsepower, at the rate of three and two-tenths cents per horsepower.

(c) To justify the appropriate use of fees collected under (b) of this subsection, the department of ecology shall submit a progress report to the appropriate committees of the

legislature prior to December 31, 2009, and biennially thereafter until December 31, 2017.

(i) The progress report will: (A) Describe how license fees were expended in the federal energy regulatory commission licensing process during the current biennium, and expected workload and full-time equivalent employees for federal energy regulatory commission licensing in the next biennium; (B) include any recommendations based on consultation with the departments of ecology and fish and wildlife, hydropower project operators, and other interested parties; and (C) recognize hydropower operators that exceed their environmental regulatory requirements.

(ii) The fees required in (b) of this subsection expire June 30, 2017. The biennial progress reports submitted by the department of ecology will serve as a record for considering the extension of the fee structure in (b) of this subsection.

(2) The following are exceptions to the fee schedule in subsection (1) of this section:

(a) For undeveloped projects, the fee shall be at one-half the rates specified for projects in operation; for projects partly developed and in operation the fees paid on that portion of any project that shall have been developed and in operation shall be the full annual license fee specified in subsection (1) of this section for projects in operation, and for the remainder of the power claimed under such project the fees shall be the same as for undeveloped projects.

(b) The fees required in subsection (1) of this section do not apply to any hydropower project owned by the United States.

(c) The fees required in subsection (1) of this section do not apply to the use of water for the generation of fifty horsepower or less.

(d) The fees required in subsection (1) of this section for projects developed by an irrigation district in conjunction with the irrigation district's water conveyance system shall be reduced by fifty percent to reflect the portion of the year when the project is not operable.

(e) Any irrigation district or other municipal subdivision of the state, developing power chiefly for use in pumping of water for irrigation, upon the filing of a statement showing the amount of power used for irrigation pumping, is exempt from the fees in subsection (1) of this section to the extent of the power used for irrigation pumping.

As prescribed by the statute, the following report describes progress made in three areas: (1) how license fees were expended in the current biennium and expected workload in the next biennium; (2) any recommendations related to the license fees; and (3) recognition of hydropower projects that exceed their environmental regulatory requirements.

# 1. Water Power License Fee Expenditures

The Revised Code of Washington (RCW) 90.16.050 requires a progress report be submitted by the Department of Ecology (Ecology) each biennium that describes how license fees were expended in the Federal Energy Regulatory Commission (FERC) hydropower licensing process in the previous biennium and expected workload and full-time equivalent (FTE) employees for FERC licensing in the current biennium.

Amendments made to RCW 90.16.050 and 90.16.090 allowed Ecology to revise the annual fee for hydroelectric projects' use of water in Washington State beginning in December 2007. The amendments provided authorization to Washington Department of Fish and Wildlife (WDFW) and Ecology to spend these funds on specific activities associated with environmental protection, mitigation, and enhancement measures included in FERC-issued hydroelectric project licenses. The amendments included the following license fee schedule for FERC projects:

[RCW 90.16.050 (1)(b)]

*For federal energy regulatory commission projects in operation, the following fee schedule applies in addition to the fees in (a) of this subsection: For each theoretical horsepower of capacity up to and including one thousand horsepower, at the rate of thirty-two cents per horsepower; for each theoretical horsepower in excess of one thousand horsepower, up to and including ten thousand horsepower, at the rate of six and four-tenths cents per horsepower; for each theoretical horsepower in excess of ten thousand horsepower, at the rate of three and two-tenths cents per horsepower.*

Fee collection is based on the calendar year. In the 2010-2011 biennium, approximately \$1,019,984 was collected from FERC water power license owners in accordance with the above stipulations. For more detail of fees charged to each licensee including base fees [RCW 90.16.050 (1)(a)] and FERC project fees [RCW 90.16.050 (1)(b)], see Appendix B of this document.

The water power license (hydropower) project fees provide funding for FERC licenses and for Clean Water Act Section 401 water quality certification activities that are directed to Ecology's Water Quality (WQ) and Water Resources (WR) programs. Also, Ecology uses a portion of this funding to contract with WDFW for related services. However, due to the number of FERC-licensed hydroelectric projects and the wide range of activities that affect water quality and the associated beneficial uses, the fees did not cover the entire workload associated with these projects in the past biennium. The fees are also not expected to cover the full workload for the current biennium.

The state agencies supplement license fee revenue to fully fund agency FERC program staff, management staff time for policy direction and interagency coordination, and costs for legal consultation from the State Attorney General's (AG) Office. State general funds and federal contracts fulfill the budget needs to fully implement this work with hydropower operations. Without these additional funds the state would not be able to effectively complete FERC WQ certification and license implementation activities. Table 1 details the water power license fees spent in FY 2010-11 biennium and additional funding required to maintain these Ecology and WDFW programs.

**Table 1. FERC Project Expenditures by Agency, Program, Fiscal Year, and Fund Source**

<b>Fiscal Year</b>	<b>Full time equivalent (FTEs)</b>	<b>Funding Source</b>	<b>Ecology Water Quality</b>	<b>Ecology Water Resources</b>	<b>WDFW Habitat Management</b>	<b>Totals</b>
<b>2010</b>	<b>15.2*</b>	Water Power License Fees	\$ 218,432	\$ 76,550	\$ 235,000	<b>\$ 529,982</b>
		<i>General Fund - State</i>	\$ 55,498	-	\$ 305,203	\$ 360,701
		<i>Federal (Ecology)</i>	166,495	66,774	-	233,269
		<i>Federal (WDFW)</i>	-	-	150,847	150,847
		<i>Other**</i>	47,592	-	-	47,592
Funding from sources other than Water Power License Fees						<b>\$ 792,409</b>
<b>Total expenditures on FERC project work - FY2010</b>						<b>\$ 1,322,391</b>
<b>2011</b>	<b>13.0*</b>	Water power license fees	\$208,175	\$73,277	\$235,000	<b>\$516,452</b>
		<i>General Fund - State</i>	\$ 48,458	-	\$ 305,203	\$ 353,661
		<i>Federal (Ecology)</i>	145,377	65,844	-	211,221
		<i>Federal (WDFW)</i>	-	-	150,847	150,847
		<i>Other ***</i>	59,976	-	-	59,976
Funding from sources other than Water Power License Fees						<b>\$ 775,705</b>
<b>Total expenditures on FERC project work - FY2011</b>						<b>\$ 1,292,157</b>

\* FTE totals differ by fiscal year due to amount of legal assistance provided by the Attorney General's office.

\*\* Attorney General's Office assistance is funded by assorted Water Quality Program funds.

The water power license fee totals in Table 1 show the funds spent from the water power license fee account. For information on the water power license fees collected in the FY 2010-11 biennium see Appendix B, which lists fees paid by project and owner.

Table 2 provides further detail of fulltime equivalent (FTE) workload shown in Table 1 above. The table includes the current level of work funded by hydropower fees compared to staffing levels required for each agency's program.

**Table 2. State Agency Fulltime Equivalent (FTE) Program Staffing.**

State Agency/Program	Project Involvement <sup>1</sup>	FTEs funded by hydro Fees	FTEs funded by other sources	Total FTE for FERC Projects
<b>Ecology - Water Resources</b> Water Resources Program	Technical assistance on instream flow issues for all projects statewide	0.5	0.5	<b>1.0</b>
<b>Ecology - Water Quality</b> Headquarters Office	Technical assistance to WQ regions on all projects statewide	1.0	-	<b>1.0</b>
<b>Ecology - Water Quality</b> WQP - Central Region Office	FERC 401 coordination for projects in Ecology's central region.	-	1.0	<b>1.0</b>
<b>Ecology - Water Quality</b> WQP - Eastern Regional Office	FERC 401 coordination for projects in Ecology's eastern region.	-	1.0	<b>1.0</b>
<b>Ecology - Water Quality</b> WQP - Northwest Region Office	FERC 401 coordination for projects in Ecology's Northwest region.	0.5	-	<b>0.5</b>
<b>Ecology - Water Quality</b> WQP - Northwest Region Office	FERC 401 coordination for projects in Ecology's southwest region.	0.5	-	<b>0.5</b>
<b>WDFW – Habitat Program</b> Energy Projects	Technical assistance on fish and wildlife issues for all projects statewide.	2.1	3.4	<b>5.5</b>
<b>Washington State Attorney General's Office</b>	Legal assistance with FERC Licensing, 401 certifications, amendments, and settlement agreements.	-	1.8	<b>1.8<sup>2</sup></b>
<b>➔ Total State Agency FTEs</b>		4.6	7.7	<b>12.3</b>

The workload and FTE estimates for the state agencies may differ in the next biennium. As more hydroelectric projects are relicensed, the state workload for the existing projects will largely consist of 401 certification oversight activities. After projects are relicensed, continued state agency participation is necessary to implement conditions, settlement agreements, water quality compliance schedules, and other requirements of the certifications.

In addition, the workload associated with new projects continues to increase with renewed interest in small-scale projects. Currently there are many small-scale projects in Washington that are in the early stages of initial licensing with FERC. Ecology and WDFW are evaluating proposals for these projects in many areas of the state. These proposals include the development of new dams and additional hydroelectric capacity for current non-hydro dams. These projects require agency participation during the initial proposal process and may require considerable state agency resources. However, many of these proposed projects do not currently hold a water right or FERC license and therefore, are not currently assessed fees pursuant to RCW 90.16.050. While Ecology expects some projects to be abandoned if initial evaluations deem the project unfeasible, other proposals will be granted a water right and/or a FERC license and then be assessed fees based on RCW 90.16.050.

<sup>1</sup> See Appendix A for summaries of work performed on FERC-licensed hydropower in FY 2010 and FY 2011.

<sup>2</sup> Workload from the AG's office varied by year. The FTE is average is 1.8.

The following section provides the expected future workload for Ecology/Water Quality (WQ) Program, Ecology/Water Resources (WR) Program, and WDFW. More detailed information of agency activities from the previous biennium is listed by project in Appendix A.

## **Ecology/WQ Program funds expended**

WQ program expenditures for FERC hydropower license work occurred at both the headquarters and regional levels. WQ staff in headquarters provided technical support to the regional 401 certification staff for analysis of water quality studies, quality assurance project plans (QAPPs), modeling reviews, and interpretations of the water quality standards to develop 401 certifications. Headquarters participation provides consistency among the development and implementation of certifications statewide. WQ headquarters staff also organized annual meetings with the operators, state agencies and interested stakeholders. Ecology, WDFW, licensees and stakeholders agreed to continue these annual meetings to further encourage communication and collaboration between all parties involved in FERC relicensing and the 401 water quality certification process.

Regional WQ Program FERC 401 staff provide the lead point of contact for the dam relicensing and 401 certifications in their regions. Responsibilities include all aspects of relicensing in relation to issuing a 401 certification to meet water quality standards, including:

- Participation in the FERC relicensing process—including meetings, workgroups, and settlement negotiations—as they relate to Ecology’s water quality certification authority.
- Review and preparation of comments on natural resource study plans, QAPPs, and environmental documents related to water quality.
- Development of 401 conditions that protect, address impacts, and enhance water quality, flow, and habitat issues, with the assistance of Ecology’s WR Program and WDFW.
- Communication with FERC, the licensee, tribes, state and federal resource management agencies (including USFWS), and stakeholders on issues associated with conditions in the water quality certification.
- Implementation of conditions in the 401 certification and settlement agreements after issuance.

For the 2012-2013 biennium, there are fewer existing dams entering the relicensing process. For these projects, state agency workloads will continue to change from the 401 certification process to implementation and management of each certification. The majority of relicensed dams now have ten-year compliance schedules as part of their conditions, and this will require ongoing implementation activities in which the regional FERC 401 staff and the technical lead at headquarters. Examples of such work include review and approval of monitoring studies and water quality attainment plans, gas abatement approvals and related activities, adaptive management activities associated with the compliance schedule, and modeling where needed. Ecology may also amend orders to some 401 certifications. These amendments may be necessary to correct an error in the certification, incorporate a change in state water quality regulations, or to allow new construction or changes in operation.

## **Ecology/ Water Resources (WR) Program funds expended**

WR Program activities included:

- Supporting settlement agreements and 401 certifications through adaptive management groups.
- Adaptive flow-related management in response to new information, and flow management related to 401 conditions.
- Settlement negotiations and development of memorandums of agreement for instream flows for licenses and amendments to licenses.
- Water right permitting for power use.
- Writing instream flow language for 401 certifications.
- Collecting and administering fees.
- Clerical and management support.

The WR Program's expected workload will be similar in nature and quantity in 2012 and 2013, except for a small increase in workload for new hydropower development proposals. The WR Program will continue to assist the operators and regional Ecology FERC coordinators with the implementation of flow and habitat-related conditions.

## **WDFW funds expended**

WDFW staff activities included:

- Assisting Ecology during the development, implementation, and adaptive management of 401 certifications. The agency provided technical fish and aquatic habitat expertise, including instream flow modeling and evaluation.
- Providing technical assistance and collaborating with hydropower project owners and stakeholders throughout the FERC licensing and implementation process.
- Providing technical assistance and consultation with Ecology during new license development.
- Active participation in natural resource protection and enhancement measures that are required by the FERC-issued operating licenses.
- Participation in natural resource technical committees during license implementation and communication with FERC, Ecology, project owners, and other stakeholders.
- Providing monthly reports with a summary of significant activities associated with FERC-licensed hydropower projects, and quarterly reports of products developed and technical assistance provided to FERC-licensed hydropower projects.

For the next biennium, Ecology and WDFW established an Interagency Agreement (Ecology #C1200052) for continued work on FERC-licensed hydropower projects. Similar to the last

biennium, under this contract a first priority for WDFW will be to support activities and obligations, identified in the signed interagency agreements, that already exist for the Priest Rapids-Wanapum, Rocky Reach, Wells, and Spokane River hydroelectric projects.

WDFW will perform similar activities for each of the other 401 certifications developed by Ecology for FERC hydroelectric projects in order to achieve the objectives identified in the preceding interagency agreements.

In general, WDFW will monitor the implementation and adaptive management of the protection, mitigation, and enhancement measures for salmonids, bull trout, sturgeon, lamprey, and resident fish, and consult with Ecology regarding these matters. WDFW staff participation is anticipated in any of the resource protection and enhancement measures that affect fish and wildlife, or their habitat, as well as measures that affect the beneficial uses of the water, and fish and wildlife oriented recreation.



## 2. Recommendations Related to the License Fees Expenditures

RCW 90.16.050 also requires that the progress report include any recommendations based on consultation with the departments of Ecology and Fish and Wildlife, hydropower project operators, and other interested parties. Ecology solicited state agency programs, the hydropower industry, and other interested parties for comments on the biennium progress report and any recommendations they would like included. Responses were received from the following hydropower industry and other interested parties (in alphabetical order):

- Chelan County PUD (Shaun Seaman and Michelle Smith)
- Hydropower Reform Coalition (Rich Bowers and others)
- PacifiCorp (Frank Shrier)
- Snohomish County PUD (Dawn Presler)

Editorial comments on the report were incorporated. Recommendations and comments received covered several common themes: coordination, roles and responsibilities, funding, transparency, teamwork, collaboration, workload, and incentives. Specific recommendations included:

- Continue to develop better communication between staff from the state agencies and the utilities;
- Further develop better coordination and collaboration between the WDFW and Ecology to minimize duplication of work and to provide a better understanding of each agency's role in the 401 certification process;
- Minimize staff changes during licensing and implementation phases of the 401 water quality certifications;
- Increase funding for technical staff with background in hydropower;
- Develop better internet based tools for sharing information between all entities;
- Provide more detailed information about license fees, including fees collected by each utility;
- Review the current and future workload and determine the funding necessary to fully fund the state FERC programs through the water power license fees or other resources;
- Allocate funding to appropriately staff the future review of preliminary permit applications that have increased in number in recent years; and
- Develop incentives that encourage environmentally responsible development of hydropower projects.

Appendix C includes the full written comments and recommendations provided by participating entities.

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### **3. Recognition of Hydropower Operators Exceeding Environmental Requirements**

SSB 5881 also requires that the progress report recognize hydropower operators that exceed their environmental regulatory requirements.

#### **Low Impact Hydropower Institute certification**

The Low Impact Hydropower Institute (LIHI) is a non-profit 501(c)(3) organization dedicated to reducing the impacts of hydropower generation through the certification of hydropower projects that have avoided or reduced their environmental impacts pursuant to the Low Impact Hydropower Institute's criteria.

Ecology recognizes and supports these criteria for selecting hydropower utilities that rise above, or exceed, their environmental regulatory requirements. In order to be certified by the Institute, a hydropower facility must meet criteria in the following eight areas:

1. River flows.
2. Water quality.
3. Fish passage and protection.
4. Watershed protection.
5. Threatened and endangered species protection.
6. Cultural resource protection.
7. Recreation.
8. Facilities recommended for removal.

The criteria standards are typically based on the most recent, and most stringent, mitigation measures recommended for the dam by expert state and federal resource agencies, even if those measures aren't a requirement for operating. A hydropower facility meeting all eight certification criteria will be certified by LIHI. Once certified, the owner or operator can market the power from the facility to consumers as produced by a LIHI- certified facility.

Hydropower projects in Washington that received LIHI certification can be found on the LIHI website at [www.lowimpacthydro.org/certified-facilities](http://www.lowimpacthydro.org/certified-facilities). Since 2009, two hydroelectric projects have gained certification and one certification is pending.<sup>3</sup> Five certifications were issues in 2008, one of which has since been decertified. Following are the current LIHI certifications.

#### **North Shore Fishway Hydroelectric Project**

On July 17, 2010, the Dalles Dam North Shore Hydroelectric Project, (FERC #P-7076), operated by Northern Wasco County Public Utility District, received LIHI certification (#71). The Project is adjacent to the US Army Corps of Engineers Dalles Dam. The PUD facility is located on the north shore of The Dalles Dam in Washington State.

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<sup>3</sup> In 2009 PacifiCorp submitted an application for certification of the Lewis River Hydroelectric Projects which include Yale Dam (FERC #P-2071), Merwin Dam(FERC #P-935), and Swift #1 Dam (FERC #P-2111).

## **Henry M. Jackson Hydroelectric Project**

On April 7, 2011, the Henry M. Jackson Hydroelectric Project, operated by Public Utility District No. 1 of Snohomish County, received LIHI certification (#75). The project is located on the Sultan River in Snohomish County, Washington.

## **Hydro Energy Development Corporation**

On October 23, 2008, the 3.7 MW Black Creek Project (FERC #P-6221), which is owned and operated by Hydro Energy Development Corporation, received renewal of their LIHI certification (#6) with an effective date of April 10, 2008. This project first earned LIHI certification in 2003. The Black Creek Project facility is located at Black Creek, Washington, approximately 30 miles east of Seattle.

## **Seattle City Light**

On August 28, 2008, the Skagit River Project (FERC #P-553), owned and operated by Seattle City Light, earned renewal of their LIHI certification (#5). The Skagit River Hydroelectric Project is located in the upper Skagit River basin, in northeastern Puget Sound, Washington. Headwaters of the Skagit River originate in Canada, and the Project occupies a scenic area in the Mount Baker-Snoqualmie National Forest and Ross Lake National Recreation Area, adjacent to North Cascades National Park. The project includes three dams: Ross, Diablo, and Gorge.

## **City of Tacoma**

On August 28, 2008, the Nisqually Hydroelectric Project (FERC #P-1862), operated by the city of Tacoma, received a renewal of their LIHI certification (#8). The Nisqually Hydroelectric Project is located on the Nisqually River in western Washington, south of the city of Tacoma. The Nisqually River originates from the Nisqually Glacier on Mount Rainier, and flows about 80 miles west to Puget Sound. This project first earned LIHI certification in 2003.

## **Chelan County Public Utility District (PUD)**

On January 24, 2008, the Lake Chelan Hydropower Project (FERC #P-637), operated by Chelan PUD, received LIHI certification (#30). The Lake Chelan Hydroelectric Project is located on the Chelan River, near the city of Chelan, in Chelan County, Washington. The project occupies 465.5 acres of federal lands administered by the U.S. Forest Service and U.S. Department of the Interior, National Park Service.

# Appendices

## Appendix A. State agency workload by project

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
<b>Baker</b> NWRO	Puget Sound Energy	P-2150	Ecology issued two administrative orders; one issued to address Baker Lake and Lake Shannon drawdown, and another to address short-term Water Quality modification for an upcoming project.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Baker Background Turbidity report</li> <li>• 2010 Annual Baker Water Quality Report</li> <li>• Post-issuance project management</li> </ul>
<b>Banks Lake Pumped Storage</b> ERO	Brookfield Renewable Resources	P-13296	<b>Provided review/approval and regulatory assistance:</b> Resident Fish Management Plan
<b>Banks Lake Pumped Storage</b> ERO	Grand Coulee Hydroelectric Authority	P-13681	<b>Provided review/approval and regulatory assistance:</b> Draft Water Quality 401 Water Quality Certification
<b>Barclay Creek</b> NWRO	Free Flow Power	P-13864	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Application for preliminary permits</li> <li>• Preliminary permit issued by FERC</li> </ul>
<b>Black Canyon</b> NWRO	Black Canyon Hydro, LLC.	<i># not issued</i>	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Motion for Intervention</li> <li>• Application for preliminary permits reviewed</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Boundary  ERO	Seattle, City of	P-2144	<p>State agencies attended Settlement Agreement meetings to reach agreement on terms and conditions for the new license.</p> <p><b>Provided review/approval and regulatory assistance:</b></p> <ul style="list-style-type: none"> <li>• Section 10(j) Recommendations for Terms and Conditions</li> <li>• Negotiated Settlement Agreement</li> <li>• Final Environmental Impact Statement</li> <li>• Draft Water Quality 401 Water Quality Certification</li> <li>• Provided review and comments on several study reports on project impacts to fish, wildlife, and habitat resources including: erosion, macrophytes, water quality, flooding, aquatic productivity, fish entrainment, sediment dynamics, tributary delta impacts, large woody debris, wildlife, plants, bats, total dissolved gas (TDG), tributary resources, riparian habitat, and birds.</li> </ul>
Box Canyon  ERO	Public Utility District No. 1 of Pend Oreille Co.	P-2042	<p>State agencies participated in Technical Committee meetings; Fish Subcommittee meetings; Erosion/Habitat Subcommittee Meeting; Wildlife Subcommittee Meetings; Aquatic Plant meetings; Water Quality Meetings.</p> <p><b>Provided review/approval and regulatory assistance:</b></p> <ul style="list-style-type: none"> <li>• Total Dissolved Gas Abatement Plan</li> <li>• Temperature Management Plan</li> <li>• Water Quality Monitoring Plan</li> <li>• Upstream Fishway Fish Behavior Study Plan</li> <li>• Erosion Control and Remediation Plan</li> <li>• Aquatic Plant Management Plan</li> <li>• Shoreline Management Plan Annual Report</li> <li>• Downstream Fishways – fish Behavior, Survival, and Design Investigations Plan</li> <li>• Recreation Resource Management Plan</li> <li>• Comprehensive Wildlife Management</li> <li>• Tributary Habitat Restoration Plan</li> <li>• Trout Habitat and Restoration Plan</li> </ul>
Calligan Creek  NWRO	Public Utility District No. 1 of Snohomish County	P-8864	<p>Agency staff attended consultation meeting with stakeholders, site tour and initial project evaluation meeting, and joint multi-agency and citizen meetings.</p> <p><b>Provided review/approval and regulatory assistance:</b></p> <ul style="list-style-type: none"> <li>• Preliminary application documents</li> <li>• Preliminary permit applications</li> <li>• Water right assignment/termination/reassignment</li> <li>• Calligan Creek project proposal</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

<b>Project Name/ Ecology Region</b>	<b>Licensee</b>	<b>FERC No.</b>	<b>State Agency Activities</b>
<b>Cle Elum Storage Dam</b>  CRO	FFP, Qualified Hydro 24, LLC	P-13843	<b>Provided review/approval and regulatory assistance:</b> Preliminary permit application
<b>Cle Elum</b>  CRO	Free Flow Power	P-12746	<b>Provided review/approval and regulatory assistance:</b> Preliminary permit application
<b>Condit</b>  SWRO	PacifiCorp Company	P-2342	Ecology developed 401 Water Quality Certification for the removal of the Condit Dam, which was issued in 2011.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Revegetation and Wetland Management Plan</li> <li>• Woody Debris Management Plan</li> <li>• Aquatic Resources Control Plan</li> <li>• Construction SPCC Plan</li> <li>• Erosion Control Plan and Access Road 14 Drawings</li> <li>• Mt. Adams Orchard Replacement Line</li> <li>• Recreation Facility Removal and Improvements Plan</li> <li>• Sediment Assess Stabilization Plan and Preliminary Plan for Sediment Management</li> <li>• Woody Debris Management Plan</li> </ul>
<b>Cowlitz Falls</b>  SWRO	Public Utility District No. 1 of Lewis County	P-2833	Ecology participated in an adaptive management group to assess adequacy of fish passage.
<b>Cushman No. 1 &amp; Cushman No. 2</b>  SWRO	Tacoma, City of	P-460	Ecology developed a draft 401 Water Quality Certification-Order Non-Capacity Third Powerhouse Cushman No. 2 Dam. Order was issued in 2011. Agency staff participated in the Fisheries and Habitat Committee and met with operator to tour Quinault Net Pen.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Water Quality Improvement Plan</li> <li>• Total Dissolved Gas Monitoring Plan</li> </ul>
<b>Easton Diversion Dam</b>  CRO	Qualified Hydro 25, LLC	P-13850	<b>Provided review/approval and regulatory assistance:</b> Preliminary permit application

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

<b>Project Name/ Ecology Region</b>	<b>Licensee</b>	<b>FERC No.</b>	<b>State Agency Activities</b>
<b>Enloe</b>  CRO	Public Utility District No. 1 of Okanogan Co.	P-12569	State agencies met periodically with the project owner on project plans including minimum flow provisions. Ecology met with the PUD, WDFW and others toward providing minimum flows. Ecology also provided comments and guidance on how to address water rights permitting.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Section 10(j) Recommendations for Terms and Conditions</li> <li>• Final Environmental Impact Statement</li> <li>• Draft Water Quality 401 Water Quality Certification</li> <li>• Resident Fish Management Plan</li> <li>• Aquatic Nuisance Species Management Plan</li> <li>• Draft Environmental Assessment</li> <li>• Recreation Management Plan</li> <li>• Minimum Instream Flow</li> <li>• Mitigation Negotiations for impacts to fish</li> </ul>
<b>Green Hydropower Chief Joseph Project</b>  ERO	Green Hydropower	P-13525	Preliminary Project Permit was withdrawn by applicant
<b>Green Hydropower Grand Coulee Project</b>  ERO	Green Hydropower	P-13522	Preliminary Project Permit was withdrawn by applicant
<b>Green Hydropower Rocky Reach Project</b>  ERO	Green Hydropower	P-13534	Preliminary Project Permit was withdrawn by applicant
<b>Hancock Creek</b>  NWRO	Public Utility District No. 1 of Snohomish County	P-13994	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Preliminary permit application</li> <li>• Preliminary Application Documents</li> <li>• Water right assignment/termination/reassignment</li> <li>• Consultation meeting with stakeholders</li> <li>• Site tour and initial project evaluation meeting with stakeholders</li> <li>• Project proposal reviewed and comments sent to SNOFUD</li> <li>• Joint multi agency and citizens meeting</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern



<b>Project Name/ Ecology Region</b>	<b>Licensee</b>	<b>FERC No.</b>	<b>State Agency Activities</b>
<b>Henry M. Jackson Project</b>  NWRO	Public Utility District No. 1 of Snohomish County	P-2157	Ecology regularly attended adaptive management group meetings to implement settlement agreement terms and later license articles such as various flow regimes including minimum flows, flushing flows, channel-forming flows, whitewater boating flows, and aquatic habitat improvements and fish passage. Ecology developed 401 Water Quality Certification, which was issued on October 18, 2010.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Water Quality Final Technical Report</li> <li>• Water Temperature Conditioning Plan</li> <li>• Water Temperature Conditioning Evaluation and Performance Standards</li> <li>• Water Quality Protection Plan</li> <li>• Water quality monitoring plan</li> <li>• Settlement agreement discussions</li> </ul>
<b>Howard Hanson</b>  NWRO	Free Flow Power	P-13848	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Application for preliminary permits reviewed</li> <li>• Preliminary permit issued by FERC</li> <li>• In consultation with other stakeholders to evaluate project impacts</li> </ul>
<b>Kachess Storage Dam</b>  CRO	Kachess Dam Hydropower, LLC	P-14206	<b>Provided review/approval and regulatory assistance:</b> Preliminary permit application
<b>Keechelus Storage Dam</b>  CRO	Keechelus Hydropower, LLC	P-14116	<b>Provided review/approval and regulatory assistance:</b> Preliminary permit application
<b>Keechelus Storage Dam</b>  CRO	Qualified Hydro 32, LLC	P-14128	<b>Provided review/approval and regulatory assistance:</b> Preliminary permit application
<b>Lake Chelan</b>  CRO	Public Utility District No. 1 of Chelan County	P-637	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Chelan River Spawning Channel</li> <li>• Entiat Park Boat Launch Repair and Riparian Restoration</li> <li>• Survey of Chelan River Reach 4 for compliance with Settlement Agreement terms</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
<p><b>Long Lake, Nine Mile, Monroe Street, Upper Falls</b></p> <p>ERO</p>	<p>Avista Corporation</p>	<p>P-2545</p>	<p><b>Provided review/approval and regulatory assistance:</b></p> <ul style="list-style-type: none"> <li>• Upper Falls Aesthetic Spill Plan</li> <li>• Nine Mile Dam Spillway Project Water Quality Protection Plan</li> <li>• Lake Spokane and Nine Mile Reservoir Aquatic Weed Management Program</li> <li>• Upper Falls HED control Works Core Drilling Water Quality Protection Plan</li> <li>• Draft Long Lake Temperature Water Quality Attainment Plan</li> <li>• Riverfront Park Multi-Functional Landing Water Quality Protection Plan</li> <li>• Upper Falls Hydroelectric Development Control Works Sector Gate Water Quality Protection Plan</li> <li>• Long Lake Phase II Aeration Study</li> <li>• Dissolved Oxygen Water Quality Attainment Plan</li> <li>• Total Dissolved Gas Water Quality Attainment Plan</li> <li>• Total Dissolved Gas Monitoring Report for the Long Lake Development</li> <li>• Total Dissolved Gas Phase II Feasibility Study Report</li> <li>• Long Lake Tailrace Dissolved Oxygen Monitoring Report</li> <li>• Monroe Street HED Sediment Characterization</li> <li>• Monroe Street HED 2011 Dredging Physical and Chemical Assessment</li> <li>• Monroe Street Dam Sediment Dredging: Sediment management Plan</li> <li>• Monroe Street Rock Removal and Relocation Water Quality Protection Plan</li> <li>• Turbidity and Dissolved Oxygen monitoring addendum for the Monroe Street Dam Dredging</li> <li>• Long Lake and Nine Mile HED TDG Monitoring Plan</li> <li>• Detailed Dissolved Oxygen Phase II Feasibility and Implementation Plan</li> <li>• Long Lake HED Dissolved Oxygen Improvement Project Report</li> <li>• TDG Phase II Feasibility Study Report</li> <li>• Lake Spokane Fishery Enhancement and Creel Survey Plan</li> <li>• Bald Eagle Management Plan</li> <li>• Middle Spokane River Baseline Fish Population assessment</li> <li>• Redband Trout Spawning and Fry Emergence Study</li> <li>• Discharge Flow Monitoring Plan for the Post Falls Development</li> <li>• Transmission Line Monitoring Plan</li> <li>• Spokane River Land Use management Plan</li> <li>• Spokane River Interpretation and Education Plan</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

<b>Project Name/ Ecology Region</b>	<b>Licensee</b>	<b>FERC No.</b>	<b>State Agency Activities</b>
<b>Martin Creek Hydroelectric Project</b>  NWRO	Free Flow Power	P-13865	<b>Provided review/approval and regulatory assistance:</b> Application for preliminary permit Preliminary permit application
<b>Mayfield</b>  SWRO	Tacoma, City of	P-2016	Ecology and WDFW regularly attended the adaptive management group meetings to assess adequacy of instream flow releases for the various species of salmon during spawning, rearing and outward migration life stages; fish passage and aquatic habitat improvements, and review reports.  <b>Provided review/approval and regulatory assistance:</b> Review of Oil Spill Requirements on this project
<b>Merwin Dam</b>  SWRO	PacifiCorp Company	P-935	Ecology worked with operator to develop necessary 401 Certification amendments.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Draft Water Quality Attainment Plan</li> <li>• Merwin In-Water Work Plan</li> </ul>
<b>Meyers Falls</b>  ERO	Hydro Technology Systems Inc.	P-2544	<b>Provided review/approval and regulatory assistance:</b> Riparian Planting Plan, Nest Box Monitoring Report
<b>Morse Creek</b>  SWRO	Port Angeles, City of	P-6461	<b>Provided review/approval and regulatory assistance:</b> Ecology issued Order No. 7732 to amend the Morse Creek Hydropower 401 Water Quality Certification.
<b>Packwood Lake</b>  SWRO	Energy Northwest (WPPSS)	P-2244	Ecology visited site and met with utility and others to adaptively manage flow, habitat and fish attraction.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Resource Coordination Plan</li> <li>• Resource Coordination Plan and Committee</li> <li>• Framework for sub plans and tasks</li> <li>• Procedures for compliance tracking</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

<b>Project Name/ Ecology Region</b>	<b>Licensee</b>	<b>FERC No.</b>	<b>State Agency Activities</b>
<b>Phelps Creek</b>  CRO	Trinity Conservancy, Inc.	P-719	WDFW met with Trinity Conservation to provide technical assistance on impacts to fish, wildlife and their habitats. Provided technical assistance concerning fish screen, fish bypass, and tailrace relocation.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Final Water Quality Monitoring report reviewed</li> <li>• Post-issuance project management</li> <li>• Annual Fish Screen Monitoring Report</li> </ul>
<b>Rock Island</b>  ERO	Public Utility District No. 1 of Chelan County	P-943	<b>Provided review/approval and regulatory assistance:</b> Annual Gas Abatement Plan and associated GAP reports
<b>Rocky Reach</b>  ERO	Public Utility District No. 1 of Chelan County	P-2145	Ecology attended and provided input at fish/water quality workgroup meetings and occasionally sub-workgroup meetings. WDFW participated in the Rocky Reach Fish Forum and Pacific Lamprey Technical Subgroup.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Total Dissolved Gas Abatement Plans</li> <li>• Total Dissolved Gas Abatement annual reports.</li> <li>• Lamprey passage enhancements</li> <li>• Resident Fish Management Plan</li> <li>• White Sturgeon Management Plan</li> </ul>
<b>Ruth Creek</b>  NWRO	Free Flow Power	P-13866	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Application for preliminary permits reviewed</li> <li>• In consultation with other stakeholders to evaluate project impacts</li> </ul>
<b>Skagit Projects: Diablo Dam, Gorge Dam, Ross Dam</b>  SWRO	Seattle, City of	P-553	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Gorge Tunnel Hydroelectric Project - construction of second tunnel</li> <li>• Implementation of voluntary flow measures to protect fish</li> <li>• Water Quality Monitoring Report</li> <li>• Application for Non-capacity related amendment</li> <li>• Proposal of construction for efficiency improvement</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

<b>Project Name/ Ecology Region</b>	<b>Licensee</b>	<b>FERC No.</b>	<b>State Agency Activities</b>
<b>Snoqualmie Falls</b>  NWRO	Puget Sound Energy	P-2493	Reviewed and commented on FERC license amendment request, met with applicant to discuss the impacts on 401 water quality certification. The 401 Water Quality Certification amendment is currently in process. Staff participated in a site tour and consultations with stakeholders on Snoqualmie Falls Commissioning plans.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Construction for Snoqualmie Falls redevelopment, site cleanup, and tunnels refurbishing</li> <li>• Coverage granted under Construction Stormwater General NPDES permit</li> <li>• Temperature monitoring plan</li> <li>• Site tour and consultations with stakeholders on Snoqualmie Falls Commissioning plans</li> <li>• Water Quality Protection Plan</li> <li>• Water Quality Compliance Monitoring Plan</li> </ul>
<b>Stehekin</b>  CRO	Public Utility District No. 1 of Chelan County	No FERC # assigned	Ecology made site visits to witness the success of spawning and rearing channel improvements; and met with the utility and others to adaptively manage channel flows to improve fish habitat.
<b>Sullivan Creek</b>  ERO	Public Utility District No. 1 of Pend Oreille Co.	P-2225	Agency staff participated in consultations toward maintaining adequate flows, instream flow and habitat measurements, and administered water rights toward reducing interruptions for downstream water right holders. Ecology Water Quality and Shoreline and Environmental Assistance programs worked to develop the 401 Water Quality Certification.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Mill Pond Dam Removal Design Report</li> <li>• Cold Water Release Facility Design</li> <li>• Development of fish and wildlife measures for the protection of fish and wildlife resources</li> <li>• Section 10(j) Recommendations for Terms and Conditions</li> <li>• Settlement Agreement negotiations</li> </ul>
<b>Summer Falls</b>  ERO	Grand Coulee Project Hydroelectric Authority	P-3295	<b>Provided review/approval and regulatory assistance:</b> Section 10(j) Recommendations for Terms and Conditions
<b>Swamp Creek</b>  NWRO	Free Flow Power	P-13867	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Application for preliminary permits reviewed</li> <li>• In consultation with other stakeholders to evaluate project impacts</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

<b>Project Name/ Ecology Region</b>	<b>Licensee</b>	<b>FERC No.</b>	<b>State Agency Activities</b>
<b>Swift No. 1</b>  SWRO	PacifiCorp Company	P-2111	State agencies coordinated with adaptive management group to assess aquatic habitat improvements to provide adequate flow regimes for fish, and provided post 401 water quality oversight on conditions required in the certification.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• <b>Participated in Aquatics Coordination Committee meetings and decision</b></li> <li>• <b>Draft Water Quality Attainment Plan</b></li> <li>• 401 Water Quality Certification Amendment</li> <li>• Lewis River Habitat improvement</li> </ul>
<b>Swift No. 2</b>  SWRO	Cowlitz County PUD	P-2213	State agency staff participated in Aquatics Coordination Committee and attended site visits and consultations to assess designs of flow channel for spawning and rearing flows. Ecology worked with operator to develop necessary 401 Certification amendments.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Draft Water Quality Attainment Plan</li> <li>• 401 Water Quality Certification Amendment</li> <li>• Lewis River Habitat Improvement</li> <li>• Total Dissolved Gas Abatement Plan</li> </ul>
<b>Tieton Hydroelectric Project</b>  CRO	Southern California Public Power Company/Tieton Hydropower, LLC	P-3701	Reviewed data. Encouraged them to continue collecting data for three more years (a total of five) in order for us to make final decision. Agency staff participated in annual meeting to discuss total dissolved gas and jet flow gate operation.
<b>Twin Falls</b>  NWRO	Twin Falls Hydro Associates	P-4885	<b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Final Water Quality Monitoring report reviewed</li> <li>• Post-issuance project management</li> </ul>
<b>United Power Corporation</b>  SWRO	Sentinel Mountain Pump Storage	P-12759	WDFW had initial consultation with applicant and discussed impacts to fish, wildlife, and their habitats and recommended recreation, wildlife, and fish studies.

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

Project Name	Licensee	FERC No.	State Agency Activities
<p><b>Wanapum and Priest Rapids</b></p> <p>CRO</p>	<p>Public Utility District No. 2 of Grant County</p>	<p>P-2114</p>	<p>On-going participation in development and approval of study plans, Water Quality Protection Plan WQPP, TDG, Aquatic Invasive Species Plans Implementation of White sturgeon and Pacific Lamprey plans and other implementation stages of the 401 water quality certification.</p> <p><b>Provided review/approval and regulatory assistance:</b></p> <ul style="list-style-type: none"> <li>• Water Quality Management Plan</li> <li>• Total Dissolved Gas Abatement Plan</li> <li>• Total Dissolved Gas monitoring report</li> <li>• White Sturgeon Management Plan / Brood stock Collection</li> <li>• White Sturgeon Management Plan Annual Report</li> <li>• Pacific Lamprey Management Plan Comprehensive Annual Report</li> <li>• Pacific Lamprey aluminum plating installation to improve lamprey passage at both Priest Rapids and Wanapum Dams.</li> <li>• Bald Eagle Nest and Perch Plan Annual Report</li> <li>• Aquatic Invasive Species Plan</li> <li>• Aquatic Invasive Species Plan Annual Report</li> <li>• Shallow Water Habitat Water Quality Monitoring Plan</li> <li>• Fish Ladder Supply Water Temperature Monitoring Plan</li> <li>• Grant PUD tailrace TDG monitoring location report and proposal</li> <li>• Pump House Intake Rock Removal Project Water Quality Protection Plan</li> <li>• Shoreline Management Plan</li> <li>• Shoreline Stabilization Project Water Quality Protection Plan</li> <li>• Wanapum Maintenance Center Expansion Project Water Quality Protection Plan</li> <li>• Gas Bubble Trauma Report</li> <li>• Crescent Bar Recreation Project Water Quality Protection Plan</li> <li>• Priest Rapids Recreation Area Water Quality Protection Plan</li> <li>• Priest Rapids Fish Bypass Water Quality Protection Plan</li> <li>• Study Plan and Design</li> <li>• Stranding and Entrapment Study Plan</li> <li>• Bull Trout Monitoring and Evaluation Report</li> <li>• Comprehensive Passage Evaluation Annual Report</li> <li>• Transmission Line Avian Collision Protection Plan</li> <li>• Recreation Management Plan</li> <li>• Wildlife Habitat Management Plan</li> <li>• Wildlife Habitat Annual, Information and Education Annual Report</li> <li>• Programmatic Agreement Progress Report</li> <li>• Northern Wormwood Management Plan</li> <li>• Resident Fish Management Plan</li> <li>• Fishway temperature monitoring</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
<b>Wells Dam</b>  CRO	Public Utility District No. 1 of Douglas County	P-2149	Ecology attended meetings of fish/water quality workgroup and review associated documents. Focus has been Pacific lamprey and sturgeon. Ecology worked on developing draft 401 Water Quality Certification. WDFW participated in the Aquatic Settlement workgroup and technical workgroup meetings.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Total Dissolved Gas Abatement Plans</li> <li>• Total Dissolved Gas Abatement annual reports</li> <li>• Recommendations for terms and conditions for the Wells License</li> <li>• Aquatic Invasive Species Management Plan</li> <li>• Final Environmental Impact Statement</li> <li>• Draft 401 Water Quality Certification</li> <li>• Aquatic Settlement annual reports</li> </ul>
<b>Wynoochee River</b>  SWRO	Tacoma, City of	P-6842	Agency staff met with operator and toured facility.
<b>Yale Site</b>  SWRO	PacifiCorp Company	P-2071	Ecology worked with operator to develop necessary 401 Certification amendments.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• Participated in Aquatics Coordination Committee meetings and decision</li> <li>• Draft Water Quality Attainment Plan</li> <li>• 401 Water Quality Certification Amendment</li> </ul>
<b>Youngs Creek</b>  NWRO	Public Utility District No. 1 of Snohomish County	P-10359	Attended new dam commissioning ceremony on October 17, 2011.  <b>Provided review/approval and regulatory assistance:</b> <ul style="list-style-type: none"> <li>• In-water work water quality monthly reports</li> <li>• Project progress reports reviewed</li> <li>• Construction of a new dam, covered under CSWGP</li> <li>• Post-issuance project management</li> </ul>

NWRO – Northwest; SWRO – Southwest; CRO – Central; ERO – Eastern



## Appendix B. Water power license fees collected in FY2010 and FY2011

Licensee	Project Name	FERC No.	FY 2010			FY2011		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Avista Corporation	Little Falls	■ non-FERC	\$ 1,489.90	♦	\$ 1,489.90	\$ 1,489.91	♦	\$ 1,489.91
	Long Lake (Spokane)	P-2545	**	\$ 7,021.02	7,021.02	2,316.94	\$ 4,704.08	7,021.02
	Monroe Street (Spokane)	P-2545	**	2,086.36	2,086.36	688.50	1,397.86	2,086.36
	Nine Mile (Spokane)	P-2545	**	3,000.86	3,000.86	1,066.03	2,164.37	3,230.40
	Upper Falls (Spokane)	P-2545	**	1,798.18	1,798.18	593.40	1,204.78	1,798.18
	<b>Sum of all projects</b>			\$ 1,489.90	\$ 13,906.42	\$ 15,396.32	\$ 6,154.78	\$ 9,471.09
Bellingham, City of	Middle Fork Nooksack	■ non-FERC	291.28	♦	291.28	291.28	♦	291.28
Black Creek Hydro, Inc. (was Hydro Energy Development Corp in 2010)	Black Creek	P-6221	**	991.82	991.82	357.05	634.77	991.82
Burton Creek Hydro	Burton Creek	P-7577	193.08	♦	193.08	193.09	343.27	536.36
Cascade Water Alliance/Puget Sound Energy	White River	P-12685	1,166.93	♦	1,166.93	385.09	2,856.39	3,241.48
Cascadian Farm	Cascadian Farm Hydro	■ non-FERC	9.45	♦	9.45	10.22	♦	10.22
Centralia, City of	Yelm Hydro Plant	P-10703	**	1,845.46	1,845.46	664.36	1,181.09	1,845.45
Dale Peterson Orchards, Inc	Company Creek	■ non-FERC	20.45	♦	20.45	40.89	♦	40.89
Dan Bickelhaupt (Millstream Farms)	Touchet River	■ non-FERC	12.96	♦	12.96	12.95	♦	12.95
Energy Northwest (WPPSS)	Packwood Lake	P-2244	**	3,559.10	3,559.10	1,281.27	2,277.82	3,559.09

Licensee	Project Name	FERC No.	FY 2010			FY2011			
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL	
Foster, Gordon	Northern Light	P-5991	**	\$ 127.00	\$ 127.00	\$ 69.54	\$ 123.64	\$ 193.18	
Grand Coulee Project Hydroelectric Authority	Etopia Branch	P-3842	*	*	*	\$ 131.21	\$ 233.29	\$ 364.50	
	Main Canal Headworks	P-2849	*	*	*	522.37	928.63	1,451.00	
	P.E.C. 66.0	P-3843	*	*	*	125.18	222.55	347.73	
	P.E.C. Headworks	P-2840	*	*	*	♦	421.08	657.95	
	Quincy Chute	P-2937	*	*	*	♦	524.00	818.75	
	Russel D. Smith	P-2926	*	*	*	252.41	448.72	701.13	
	Summer Falls	P-3295	*	*	*	1,512.00	2,688.00	4,200.00	
<b>Sum of all projects</b>			**	\$ 7,064.58	\$ 7,064.58	\$ 3,074.79	\$ 5,466.27	\$ 8,541.06	
Halbrook, David A.	Falls Creek	P-5497	**	\$ 175.00	\$ 175.00	\$ 63.00	\$ 112.00	\$ 175.00	
Holden Village, Inc.	Holden Village	■ non-FERC	*	♦	*	\$ 167.83	♦	\$ 167.83	
	Railroad Creek No. 1	■ non-FERC	*	♦	*	10.72	♦	10.72	
<b>Sum of all projects</b>				\$ 159.68	\$ 159.68	178.55	♦	\$ 178.55	
Hydro Technology Systems Inc.	Meyers Falls	P-2544	♦	♦	♦	235.02	417.82	652.84	
Janda, John L. (Paid by Russell Stallman)	Janda Power House	■ non-FERC		28.89	\$ 48.52	77.41	17.47	♦	17.47
Koma Kulshan Associates	Koma Kulshan	P-3239	**		3,285.46	3,285.46	885.60	1,574.40	2,460.00
Lilliwaup Falls Generating Co.	Lilliwaup Creek	P-3482		114.95	♦	114.95	105.38	213.94	319.32
Northern Wasco County Public Utility District	McNary Northshore	P-10204	**		1,587.44	1,587.44	558.10	992.18	1,550.28
Northern Wasco County Public Utility District	The Dalles Dam	P-7076	**		1,163.40	1,163.40	409.09	727.27	1,136.36

Licensee	Project Name	FERC No.	FY 2010			FY2011		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Orcas Water Holdings c/o Rosario Resort (Paid by Thomas Pors in 2010)	Cascade Creek	■ non-FERC	\$ 14.70	◆	\$ 14.70	\$ 31.00	◆	\$ 31.00
PacifiCorp Company	Condit	P-2342	*	*	*	\$ 825.14	\$ 1,466.91	\$ 2,292.05
	Merwin (Ariel Site)	P-935	*	*	*	4,076.28	8,276.08	12,352.36
	Swift	P-2111 and P-2213	*	*	*	10,245.27	18,213.82	28,459.09
	Yale Site	P-2071	*	*	*	5,061.27	8,997.82	14,059.09
	<b>Sum of all projects</b>			**	\$ 50,019.34	\$ 50,019.34	\$ 20,207.96	\$ 36,954.63
Port Angeles, City of	Morse Creek	P-6461	**	368.75	368.75	180.08	320.15	500.23
Port Townsend Paper Corporation	Quilcene Pipeline	P-5411	**	251.50	251.50	104.91	186.51	291.42
Public Utility District No. 1 of Chelan County	Chelan Falls	P-637	*	*	*	\$ 2,630.91	\$ 5,341.53	\$ 7,972.44
	Dryden	■ non-FERC	*	◆	*	218.25	◆	218.25
	Little Leavenworth	■ non-FERC	*	◆	*	17.19	◆	17.19
	Rock Island	P-943	*	*	*	16,145.59	28,703.27	44,848.86
	Rocky Reach	P-2145	*	*	*	39,498.54	70,219.64	109,718.18
	Stehekin	■ non-FERC	*	◆	*	86.58	◆	86.58
	Tumwater	■ non-FERC	*	◆	*	451.03	◆	451.03
<b>Sum of all projects</b>			\$ 773.04	\$ 162,539.52	\$ 163,312.56	\$ 59,048.09	\$ 104,264.44	\$ 163,312.53
Public Utility District No. 1 of Douglas County	Wells Dam	P-2149	*	77,150.00	77,150.00	27,774.00	49,376.00	77,150.00
Public Utility District No. 1 of Lewis County	Cowlitz Falls	P-2833	*	\$ 5,875.00	\$ 5,875.00	\$ 2,113.77	\$ 3,757.83	\$ 5,871.60
	Mill Creek	P-4949	*	480.00	480.00	172.80	307.20	480.00
	<b>Sum of all projects</b>			**	\$ 6,355.00	\$ 6,355.00	\$ 2,286.57	\$ 4,065.03

Licensee	Project Name	FERC No.	FY 2010			FY2011		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Public Utility District No. 1 of Okanogan Co.	Similkameen Dam - Enloe	P-12569	\$ 233.59	♦	\$ 233.59	\$ 233.59	\$ 415.27	\$ 648.86
Public Utility District No. 1 of Pend Oreille Co.	Box Canyon	P-2042	*	*	*	\$ 2,488.56	\$ 5,052.53	\$ 7,541.09
	Callispell Creek	■ non-FERC	*	♦	*	126.36	♦	126.36
	Sullivan Creek	P-2225	*	*	*	462.94	823.01	1,285.95
	<b>Sum of all projects</b>			\$ 180.00	\$ 8,811.53	\$ 8,991.53	\$ 3,077.86	\$ 5,875.54
Public Utility District No. 1 of Snohomish County	Henry M. Jackson Project	P-2157	*	\$ 9,335.60	\$ 9,335.60	\$ 3,106.13	\$ 6,306.37	\$ 9,412.50
	Youngs Creek	P-10359	♦	♦	♦	♦	♦	♦
	<b>Sum of all projects</b>				\$ 9,335.60	\$ 9,335.60	\$ 3,106.13	\$ 6,306.37
Public Utility District No. 2 of Grant County	Priest Rapids	P-2114	*	*	*	\$ 31,036.50	\$ 55,176.00	\$ 86,212.50
	Wanapum	P-2114	*	*	*	31,144.91	55,368.73	86,513.64
	<b>Sum of all projects</b>				\$ 172,726.16	\$ 172,726.16	\$ 62,181.41	\$ 110,544.73
Puget Sound Energy	Electron	■ non-FERC	*	♦	*	\$ 1,030.91	♦	\$ 1,030.91
	Lower Baker	P-2150	*	*	*	2,840.91	\$ 5,767.92	8,608.83
	Snoqualmie Falls	P-2493	*	*	*	1,689.91	3,003.84	4,693.75
	Upper Baker	P-2150	*	*	*	2,936.25	5,220.00	8,156.25
	<b>Sum of all projects</b>			\$ 2,197.84	\$ 20,938.70	\$ 23,136.54	\$ 8,497.98	\$ 13,991.76
Western Hydro LLC (paid by Mentor Law Group PLLC)	Nooksack Falls	■ non-FERC	449.97	♦	449.97	449.94	♦	449.94
Rocky Brook Hydro Electric L.P.	Rocky Brook Electric Inc.	P-3873	**	668.00	668.00	233.82	474.73	708.55

Licensee	Project Name	FERC No.	FY 2010			FY2011		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Seattle, City of	Boundary	P-2144	*	*	*	\$ 28,992.48	\$ 51,542.18	\$ 80,534.66
	Cedar Falls	■ non-FERC	*	◆	*	1,183.09	◆	1,183.09
	Diablo Dam (Skagit)	P-553	*	*	*	5,184.00	9,216.00	14,400.00
	Gorge Dam (Skagit)	P-553	*	*	*	6,199.56	11,021.46	17,221.02
	Newhalem	P-2705	*	*	*	286.17	581.02	867.19
	Ross Dam (Skagit)	P-553	*	*	*	8,455.36	17,166.95	25,622.31
	South Fork Tolt	P-2959	*	*	*	818.12	1,454.45	2,272.57
<b>Sum of all projects</b>			\$ 1,229.49	\$ 145,092.35	\$ 146,321.84	\$ 51,118.78	\$ 90,982.06	\$ 142,100.84
Seefeld Corporation	Smith Creek	P-5982	17.18	◆	17.18	47.73	◆	47.73
Sheep Creek Hydro, Inc.	Big Sheep Creek	P-5118	**	628.00	628.00	225.82	401.45	627.27
South Fork Associates, Limited Partnership	Weeks Falls	P-7563	**	1,510.80	1,510.80	498.56	1,012.24	\$ 1,510.80
Southern California Public Power Company (was Tieton Hydropower, LLC in 2010)	Tieton Hydroelectric Project	P-3701	549.00	1,525.04	2,074.04	768.20	1,365.70	2,133.90
Spokane, City of	Upriver Hydro Plant	P-3074	**	2,084.25	2,084.25	687.72	1,396.28	2,084.00

Licensee	Project Name	FERC No.	FY 2010			FY2011		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Tacoma, City of	Alder (Nisqually)	P-1862	*	*	*	\$ 1,841.73	\$ 3,274.18	\$ 5,115.91
	Cushman No. 1	P-460	*	*	*	1,755.82	3,121.45	4,877.27
	Cushman No. 2	P-460	*	*	*	3,269.46	5,812.36	9,081.82
	LaGrande Dam (Nisqually)	P-1862	*	*	*	128.93	229.20	358.13
	LaGrande Powerhouse (Nisqually)	P-1862	*	*	*	1,808.51	3,671.82	5,480.33
	Mayfield (Cowlitz)	P-2016	*	*	*	5,759.19	10,238.57	15,997.76
	McMillan Reservoir (Hood St)	P-10256	*	*	*	184.07	327.23	511.30
	McTaggart Creek	P-460	◆	◆	◆	◆	◆	◆
	Mossyrock (Cowlitz)	P-2016	*	*	*	9,761.21	19,818.20	29,579.41
	Wynoochee River	P-6842	*	*	*	727.77	1,293.82	2,021.59
<b>Sum of all projects</b>			**	\$ 75,152.96	\$ 75,152.96	\$ 25,236.69	\$ 47,786.83	\$ 73,023.52
Trinity Conservancy, Inc.	James Creek	■ non-FERC	*	◆	*	\$ 12.27	◆	\$ 12.27
	Phelps Creek	P-719	*	*	*	63.92	\$ 113.64	177.56
	<b>Sum of all projects</b>			\$ 95.26	\$ 94.57	\$ 189.83	\$ 76.19	\$ 113.64
Twin Falls Hydro Associates	S.F. Snoqualmie River (Twin Falls)	P-4885	*	*	*	\$ 977.51	\$ 1,737.83	\$ 2,715.34
	SF Snoqualmie River	P-10359	◆	◆	◆	◆	◆	◆
	<b>Sum of all projects</b>			**	\$ 3,079.76	\$ 3,079.76	\$ 977.51	\$ 1,737.83
Walla Walla, City of	Twin Reservoirs	P-10376	\$ 276.88		276.88	276.87	357.68	634.55
Bear Creek Hydro Association LLC (Paid by McMasterCorp and Mentor Law Group PLLC)	Bear Creek Hydro	■ non-FERC	383.32	◆	383.32	191.92	◆	191.92

Licensee	Project Name	FERC No.	FY 2010			FY2011		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Yakima-Tieton Irrigation District	Cowiche	P-7337	*	*	*	\$ 123.14	\$ 218.91	\$ 342.05
	Orchard Unit 1	P-7338	*	*	*	97.61	173.52	271.13
	Orchard Unit 2	P-7338	*	*	*	98.00	174.21	272.21
	<b>Sum of all projects</b>			**	\$ 836.85	\$ 836.85	\$ 318.75	\$ 566.64
<b>Totals</b>			** \$ 9,887.84	**\$772,922.88	\$ 782,810.72	\$ 282,825.60	\$ 504,887.46	\$ 787,713.06

**Table notes:**

- \* In 2010, fees for multiple projects were charged as a sum for owners with more than one project.
- \*\* In 2010, for FERC projects, the base fees and FERC fees were charged as a sum (base fees were separated after receipt). Therefore, the amount shown as FERC fees in this table are greater than were actually applied to the FERC fee account. FERC fee account for approximately 2/3 of the total fees in any given year.
- ◆ Fees did not apply in this fiscal year.
- Non-FERC projects do not currently generate power and therefore pay only the base fee.





## Appendix C. Comments and Recommendations

In the interest of ensuring that each participant's perspective was preserved, Ecology incorporated language directly from the correspondence provided, with only minor editing for consistency purposes.

### State agencies

*Coordination.* Ecology's WQ Program at headquarters will continue to look for more capacity in this biennium to facilitate coordination between WQ regions, WR, WDFW, and hydropower operators when dealing with FERC hydropower projects.

*Roles and Responsibilities.* As agreed in the 2012-2013, Ecology and WDFW will meet at least once annually, or more as needed, to review work plans, prioritize work products, and discuss issues that will enhance coordination and collaboration on FERC hydropower projects.

*Information Sharing.* Ecology's WQ Program will initiate a project in 2012 to provide a web-based service for interagency sharing of information. The next phase of this project will be to develop a similar web-based service to provide more comprehensive information to operators, and to allow better document submittal, review, and management. The goal of this project is to provide better tracking, transparency, and efficiency in the 401 certification and implementation process.

*The following written recommendations were received from the hydropower industry and other interested parties. The recommendations were taken directly from the correspondence provided.*

### Chelan County PUD

Chelan County PUD (District) appreciates the opportunity to provide these recommendations and comments for the 2010 – 2011 Biennial Report to the Washington State Legislature. Generally, the District is pleased with the working relationship we have with the Department of Ecology (DOE) and the Washington State Department of Fish and Wildlife (WDFW). As with other complex programs, there are issues that occasionally arise that require attention and time to resolve, but due to the relationships that have been developed by our respective staffs, we have been able to work through the issues as they arise. It is imperative that all parties continue open dialogue with a focus on achieving the desired outcomes of the various agreements.

Finally, the District commends DOE and WDFW for their efforts to find program efficiencies and to seek input from the utilities. This shows their willingness to listen to their stakeholders and to respond to the input.

Specific recommendations and comments:

- The District recognizes and commends DOE and WDFW for involvement of staff from throughout the organizations and encourages their continued engagement in the Federal Energy Regulatory Commission (FERC) license processes.
- The District encourages both WDFW and DOE to continue their current coordination efforts related to their Interagency Agreement for FERC processes. Furthermore the District supports continued participation and interaction of regional WDFW and DOE offices in the local FERC processes.

- The District understands that DOE is implementing programs to facilitate information sharing between DOE and WDFW and eventually FERC licensees (I.e. Share Point site). The District supports and encourages these efforts.
- The formation of DOE's FERC 401 staff workgroup is a positive step toward ensuring internal coordination. The District supports the formation and the objectives of this group.
- Provide details on the Annual Water Power License fees collected from the FERC license owners (broken down by project). This could be in the form of a table in an appendix and a summarized table in the body of the report.
- To better understand and support the fees, the District requests that Licensees be provided with a more detailed explanation of the financial accounting associated with the DOE and WDFW funds expended that are reported in the Annual Report to Legislature, including costs and supporting documentation.

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## Hydropower Reform Coalition

Thank you for providing the Hydropower Reform Coalition (Coalition) with the opportunity to comment on the biennial report to the legislature on Water Power License Fees under RCW.90.16.050.<sup>4</sup> Coalition members in Washington support collecting adequate fees from facilities that have water rights for power generation, and that ensure that all state hydropower efforts result in compliance with water quality standards and adequate mitigation for impacts to fish and wildlife, recreation, public access, and other beneficial uses.

### *1. The need for additional funding to support existing and future hydropower involvement.*

Senate Substitute Bill (SSB) 5581 was implemented in 2007 to provide a dedicated funding source that would allow Washington Department of Ecology (Ecology) and Washington Department of Fish and Wildlife (WDFW) to more fully and efficiently engage in the relicensing process and ensure protection of critical resources. Unfortunately, an economic downturn starting at roughly the same time and on-going today, has resulted in increasing annual budget cuts (including cuts in the Water Quality Program) and a long-term statewide hiring freeze. The result has been less rather than more staffing for hydropower work, and the need for existing staff to seek creative solutions to its large and growing workload. While the original legislation has supported certain critical functions of the agencies, it has not met original objectives. Furthermore, SSB 5581 provided funding to address only the existing workload and not new hydropower demands.

### *2. Existing workload*

Over the past two years, and even with budget cuts and limited resources, Ecology and WDFW staff has helped reach a number of broad-based and impressive settlement agreements that improved power generation as well as increased protection and restoration for Washington's rivers. Examples include the Snohomish PUD's Jackson Project on the Sultan River, Seattle City Light's Boundary Project on the Pend Oreille River, and completion of the 1999 settlement and subsequent 2011 removal of Condit dam on the White Salmon River. In each example, staff (including involvement when needed by the Attorney General's office) participated in multiple meetings and resource caucuses, provided technical expertise on flows, habitat, and fish and wildlife, and collaborated openly with a wide range of stakeholders. Staff provided knowledgeable input and direction on the 401 water quality certification process and on how this process would result in final license conditions for each project. As impressive

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<sup>4</sup> SSB 5881 became effective on July 22, 2007.

as these settlements are, implementation of each will require a continued and even increasing workload as staff shifts from 401 development to compliance of existing requirements and determining needed amendments. This work, while different, will continue to require participation in meetings and with a number of individual technical, monitoring and adaptive management workgroups, reviewing reports, and tracking compliance. In the coming biennium, it is critical that the state provide sufficient and additional resources to allow Ecology and WDFW to effectively monitor and participate in the implementation of the important gains that have been made. In addition, funding is needed as agency staff gear up to participate in a growing number of new dam permits and potential license applications.

There remains a discrepancy between the existing workload and the funding that is provided to the programs. As budget cuts continue to encroach upon this work, Ecology and WDFW may have fewer resources to call upon to most effectively implement the 401 certification requirements.

Implementation is critical as these certifications contain compliance schedules to meet state water quality standards that are not currently being attained.

### *3. Future workload*

Staff assessment in this report regarding the potential for new hydropower development to increase during the upcoming biennium is correct. Ecology's 2010 Inventory of Dams lists regulation of more than 1100 dams already in existence, and the Federal Energy Regulatory Commission has noted that, "The number of preliminary permits issued to hydropower developers has doubled in the past year."<sup>5</sup> For Washington that includes proposed hydrokinetic projects (Admiralty Inlet and a preliminary permit application for Deception Pass), adding energy at non-power dams (Cle Elum, Howard Hansen, Keechelas Lake and Kachness dams), pumped storage projects for Duffey Lake, Banks Lake and JD Pool, and a growing number of proposed new diversion, canal and conduit projects (incremental hydropower). While a number of these represent beneficial new technologies and efficiency upgrades, all will require review, involvement and monitoring by state agency staff, and represent an unprecedented increase in workload.

In addition, state staff will need to increase involvement in a growing number of new conventional dam proposals for White, Ruth, Swamp, Hancock, Martin, Bear, Barclay, and Calligan Creeks, Black Canyon on the North Fork Snoqualmie, Sunset Falls on the South Fork Skykomish, Enloe dam on the Similkameen, and proposed flood and hydropower dams on the Chehalis. In fact, state agency involvement in site visits and public meetings for many of these projects has already begun. Addressing new hydropower capacity was not contemplated by SSB 5881, even before the recent cuts, deficits and hiring freezes.

The workload needed by state agencies to stay involved with each of these new projects may also increase exponentially if current programs that set guidelines for appropriate hydropower development are challenged or changed. For example the National Wild and Scenic Rivers Act, the Washington State Wild and Scenic Rivers Program, and the Northwest Power and Conservation Council (NWPPCC) "Protected Areas Program" all set clear guidelines protecting rivers and streams where hydropower would be unsuitable. These designations eliminate the need for the state to revisit inappropriate development or protect the state's most important river resources on a project by project basis. Currently, the Sunset Falls Project is proposed on the only state scenic river in Western Washington, and both Sunset Falls and the Black Canyon projects sites are located on NWPPCC protected areas and

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<sup>5</sup> Hydropower Gaining Momentum, by Russel Ray, Renewable Energy World, May 11, 2001. Website: [www.renewableenergyworld.com/rea/blog/post/2011/05/hydropower-gaining-momentum?cmpid=WNL-Friday-May13-2011](http://www.renewableenergyworld.com/rea/blog/post/2011/05/hydropower-gaining-momentum?cmpid=WNL-Friday-May13-2011)

river segments recommended by the US Forest Service for Wild and Scenic protection. Eliminating redundancy and limiting effort on protected rivers and streams is especially important as all of these projects have been the target of previous (often repeated) permits or license applications. Each previous attempt has led to multiple failures due to poor economics, impractical technology, and/or the high cost of environmental damage. For example, the Bear River project was previously developed, but failed, and was abandoned and fell into disrepair because of insufficient economic benefit or potential.

Again, the Coalition is appreciative of the opportunity to comment on this draft report to the Legislature. Please give me a call if you need additional information or support for this important program. Additional information about the Coalition is available at [www.hydroreform.org](http://www.hydroreform.org).

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## **PacifiCorp**

PacifiCorp's interaction with Ecology and WDFW are related to two hydroelectric developments. Condit Hydroelectric Project, located on the White Salmon River in southwestern Washington, is currently in a decommissioning process. The Lewis River Hydroelectric Projects, consisting of the Swift No. 1, Yale, and Merwin projects, also in southwestern Washington, gained new FERC licenses in 2008 and the company is implementing conditions of the license and associated 401 certifications which are currently being amended.

Recommendations are provided by project:

### **Condit Dam**

PacifiCorp is pleased with the representation of both agencies throughout the process towards decommissioning. Agency staff has been actively engaged. Staff has been timely in responding to participation needs including fulfilling any work requests leading to water quality certification and dam breaching in October 2011. As decommissioning and restoration activities move forward, continued emphasis on this project will be needed by Ecology and WDFW.

### **Lewis River**

PacifiCorp is pleased with the continued representation of WDFW in the implementation of the new licenses. In 2011, the regional WDFW biologist was asked to represent the Lewis River Wildlife Habitat Management Program as part of a field tour to approximately 20 external individuals. Having the confidence to use a WDFW management staff person for presenting PacifiCorp's habitat program indicates the trust that has developed between both parties over the course of implementation. Both wildlife and fisheries representatives participate in regular implementation meetings, and are generally timely with input and consultation requirements.

During Lewis River relicensing, Ecology elected not to participate in the settlement process. Now that a new license and 401 certification have been issued to the hydroelectric projects, Ecology is responsible for overseeing PacifiCorp's implementation of certification conditions. PacifiCorp has found the conditions of Lewis River 401 Certifications to at times be unclear and contradictory. The fact that Ecology staff assignments to the project have been in flux has not helped this situation. The Ecology designated representative has changed three times since the 401 Certifications were issued. As a consequence, Ecology's responses to PacifiCorp's submission pursuant to the certifications have not been timely. However, more recently Ecology has taken a team approach to resolving issues and clarifying conditions related to the 401 Certifications and the associated management plans. PacifiCorp staff is more comfortable with the direction Ecology is taking and appreciates the clarification Ecology

has provided concerning 401 Certification conditions and state water quality standards and their applicability to the Lewis River projects. PacifiCorp recommends that the current approach be maintained at least until 401 amendments are issued and the Water Quality Management Plan is approved by Ecology.

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## **Snohomish County PUD**

Public Utility District No. 1 of Snohomish County (Snohomish PUD) appreciates the opportunity to provide recommendations for the Water Power License Fees program managed by the Washington Department of Ecology (Ecology).

In comments submitted for the 2009 Water Power License Fees Biennial Report, Snohomish PUD provided recommendations in four areas including:

- 1) increased funding of technical staff with background in hydropower;
- 2) enhanced teamwork between the licensee and Ecology to develop a common set of goals;
- 3) collaboration with other resource agencies to minimize the duplication of work; and
- 4) incentives to meet a higher standard for environmental protection, mitigation and enhancement.

Snohomish PUD believes Ecology has made great strides addressing our interests, but believes additional focus should be given to developing incentives that encourage responsible development from the beginning of a project.

As an example, Ecology may consider using a portion of the fees collected to develop a more efficient permitting process to provide greater certainty for both the environment and developers. Incentives to build projects in a more environmentally friendly manner may also include a renewable energy credit (REC) program. By allowing RECs for the development of new, environmentally sensitive hydropower (i.e. base the criteria off of the Low Impact Hydropower Institute's, or similar organization's standards), you meet the State's goals of energy independence and carbon free energy resource while at the same time encouraging the development of hydropower at a higher environmental standard.

Snohomish PUD also requests that Ecology host a meeting with the licensee and the Federal Energy Regulatory Commission (FERC) to review the 401 Water Quality Certification issued for the hydro project. Snohomish PUD believes that FERC might not fully understand the intent of certain 401 requirements and Ecology's role in monitoring water quality aspects for the State; thereby, creating unnecessary work for the licensee and Ecology as a condition of a new license. Such work includes report duplication and consultation that was not warranted as part of the 401 requirements.