



Report to the Legislature

Water Power License Fees

Expenditures, Recommendations, and
Recognition



DEPARTMENT OF
ECOLOGY
State of Washington

September 2014
Publication no. 14-10-048

Publication and Contact Information

This report is available on the Department of Ecology's website at <http://www.ecy.wa.gov/biblio/1410048.html>

For more information contact:

Water Quality Program
P.O. Box 47600
Olympia, WA 98504-7600

Phone: 360-407-6600

Washington State Department of Ecology - www.ecy.wa.gov

- Headquarters, Olympia 360-407-6000
- Northwest Regional Office, Bellevue 425-649-7000
- Southwest Regional Office, Olympia 360-407-6300
- Central Regional Office, Yakima 509-575-2490
- Eastern Regional Office, Spokane 509-329-3400

To request ADA accommodation for disabilities, or printed materials in a format for the visually impaired, call Ecology at 360-407-6600. Persons with impaired hearing may call Washington Relay Service at 711. Persons with speech disability may call TTY at 877-833-6341.

Report to the Legislature Water Power License Fees

Expenditures, Recommendations, and Recognition

by

Chad Brown

Water Quality Program
Washington State Department of Ecology
Olympia, Washington

This page purposely left blank

Table of Contents

	<u>Page</u>
List of Tables	iv
Executive Summary	v
Introduction.....	1
1. Water Power License Fee Expenditures	3
Ecology/WQ Program funds expended	6
Ecology/ Water Resources Program funds expended.....	7
WDFW funds expended.....	8
2. Recommendations Related to the License Fees Expenditures.....	9
3. Recognition of Hydropower Operators Exceeding Environmental Requirements.....	12
Low Impact Hydropower Institute certification	13
North Shore Fishway Hydroelectric Project.....	13
Henry M. Jackson Hydroelectric Project.....	14
Black Creek Hydro Project.....	14
Seattle City Light.....	14
City of Tacoma	14
Chelan County Public Utility District (PUD).....	14
Appendices.....	A-15
Appendix A. State agency workload by project	A-15
Appendix B. Water power license fees billed for FY2012 and FY2013	B-31
Appendix C. Comments Received on Recommendations Related to the License Fees Expenditures.....	C-39

List of Tables

	<u>Page</u>
Table 1. FERC Project Expenditures by Agency, Program, Fiscal Year, and Fund Source	4
Table 2. State Agency Fulltime Equivalent (FTE) Program Staffing.....	5

Executive Summary

The Department of Ecology (Ecology) and the Department of Fish and Wildlife (WDFW) receive funding to help the hydropower industry meet environmental regulatory requirements associated with federal energy regulatory commission (FERC) licensing and license implementation under Section 401 of the Clean Water Act. The requirements ensure that the project license includes necessary conditions to monitor and protect the quality of the state waters, habitat, and aquatic resources. Fees are collected under the authority of Revised Code of Washington (RCW) 90.16.050.

The fees collected from FERC-licensed hydropower projects fund agency staff to develop and implement environmental protection, mitigation, and enhancement measures included in FERC-issued hydropower project licenses. Ecology submits a biennial progress report to the appropriate committees of the Legislature to demonstrate that the fees were used as intended by law. This 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; and (3) recognition of hydropower projects that exceed their environmental regulatory requirements.

In the 2012-2013 biennium, Ecology collected \$583k in base fees, which helps to fund the Ecology/USGS cooperative stream flow gauging program. An additional \$1.017 million were collected from FERC-licensed projects. These additional fees help fund technical and policy staff from Ecology and WDFW to develop and implement license requirements. The total biennium cost to the state agencies for FERC hydropower licensing and implementation was about \$2.324 million, representing 44 percent of the agency work. Federal and state general funds were used to cover the rest of the work done. Due to the number of FERC-licensed hydropower projects and the wide range of activities that affect water quality and habitat, the fees have not covered the full workload associated with these projects in past biennia. We also do not expect fees to cover the full workload for the next biennium.

Major accomplishment this biennium include the 401 water quality certification and FERC relicensing of the Columbia River Wells Dam, the Similkameen River Enloe Dam, and the Pend Oreille River Boundary Dam. Ecology also issued a certification for the decommissioning of the Condit Dam on the White Salmon River. Many other previously licensed projects received agency approvals for management plans related to habitat, fisheries, water quality and other environment related license articles and conditions. Ecology and WDFW consulted on 20 proposed hydropower projects seeking a FERC license to develop or expand hydropower. The table in Appendix A describes the state agency workload associated with existing and proposed FERC hydropower projects.

Ecology and WDFW meet annually with hydropower projects owners and environmental stakeholders to share information and receive recommendations on the use of the water power license fees. Some of the recommendations for the next biennium include; review and improve fee structure, reduce redundancy at state agencies, increase state agency hydropower expertise and reduce staff turnover, and provide early notification of new or expanded water quality regulations.

This page purposely left blank

Introduction

Chapter 286 of the laws of 2007 incorporated Substitute Senate Bill 5881, an act relating to water power license fees. The revised law, Revised Code of Washington (RCW) 90.16.050, increased fees for the use of Washington's waters to produce power. Until the law became effective on July 27, 2007, water power license fees had remained the same since 1929. This base fee, provided by RCW 90.16.090(1)(a), was and continues to be used to augment funding for the Department of Ecology/USGS cooperative stream gauging program in the state. The 2007 revision added fees specifically for expenses associated with staff at the Department of Ecology (Ecology) and the Department of Fish and Wildlife (WDFW) working on federal energy regulatory commission (FERC) relicensing and license implementation activities. This additional funding allows the state agencies to be more responsive to the hydropower industry's environmental regulatory requirements under Section 401 of the Clean Water Act and FERC licensing. These requirements ensure that the project license includes necessary conditions to monitor and protect the quality of the state waters, habitat, and aquatic resources.

The statutory language 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, Ecology is required to submit a biennial progress report to the appropriate committees of the Legislature to justify the appropriate use of these fees. 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 for 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 hydropower 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 hydropower 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 2012-2013 biennium, revenues of \$1.017 million were collected from FERC licensed projects based on the above RCW. Ecology also collected \$583k in base fees provided by RCW 90.16.050 (1)(a) to help fund the Ecology/USGS cooperative stream gauging program in the state.

For more detail of fees charged to each licensee for 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 fees provide funding for state agency participation necessary to issue FERC licenses and Clean Water Act Section 401 water quality certifications. These funds are directed to Ecology's Water Quality (WQ) and Water Resources (WR) programs and Ecology uses a portion of this funding to contract with WDFW for related services such as technical assistance in meeting license requirement to protect, mitigate, and enhance fish, wildlife, and habitat. Due to the number of FERC-licensed hydropower projects and the wide range of activities that affect water quality and habitat, the fees have not covered the full workload associated with these projects in past biennia. We also do not expect fees to cover the full workload for the next biennium.

The state agencies supplement license fee revenue to fully fund agency staff involved in hydropower licensing, 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 401 WQ certification and license implementation activities. These additional funds are also necessary to provide for agency staff review and comment on preliminary FERC projects applications which are not yet licensed by FERC and therefore have not been assessed water power license fees. Table 1 details the water power license fees spent in FY2012 and FY2013 and also notes additional funding totals and sources required to maintain these Ecology and WDFW programs. The total expenditures for the 2012-2013 biennium were \$2.324 million.

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

Fiscal Year	Full time equivalent (FTEs)	Funding Source	Ecology Water Quality & Program A	Ecology Water Resources	WDFW Habitat Management	Totals
2012	10.3	Water Power License Fees	\$ 222,658	\$ 60,547	\$ 180,493	\$ 463,698*
		<i>General Fund - State</i>	-	\$ 27,040	\$ 168,550	\$ 360,701
		<i>Federal (Ecology)</i>	\$ 139,415	-	-	139,415
		<i>Federal (WDFW)</i>	-	-	97,659	97,659
		<i>Other **</i>	59,301	-	41,373	100,674
		Funding from sources other than Water Power License Fees				
Total expenditures on FERC project work - FY2012						\$ 1,162,147
2013	11.3	Water power license Fees	\$ 386,177	\$ 59,292	\$ 234,882	\$ 680,351*
		<i>General Fund - State</i>	-	\$ 26,782	\$ 174,377	\$ 201,159
		<i>Federal (Ecology)</i>	142,319	-	-	142,319
		<i>Federal (WDFW)</i>	-	-	88,552	88,552
		<i>Other **</i>	39,534	-	9,819	49,353
		Funding from sources other than Water Power License Fees				
Total expenditures on FERC project work - FY2013						\$ 1,161,734

* Funds are spent from Water Power License Fees in the 027 Reclamation Account (<http://www.ofm.wa.gov/fund/detail.asp?fund=027>).

** Attorney General's Office assistance is funded by assorted program funds. FTE totals differ by fiscal year due to amount of legal assistance provided by the Attorney General's office in a given year.

The water power license fee totals in Table 1 show the fees spent on FERC hydropower project activities in the FY 2012-13 biennium. For information on water power license fees collected in the FY 2012-13 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 water power license 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 ¹	FTEs funded by hydro Fees	FTEs funded by other sources	Total FTE for FERC Projects
Ecology - Water Resources Water Resources Program	Technical assistance on instream flow issues for all projects statewide	0.7	0.3	1.0
Ecology - Water Quality Headquarters Office	Technical assistance to WQ regions on all projects statewide	1.0	-	1.0
Ecology - Water Quality WQP - Central Region Office	401 WQ certification coordination for projects in Ecology's central region.	-	1.0	1.0
Ecology - Water Quality WQP - Eastern Regional Office	FERC 401 coordination for projects in Ecology's eastern region.	0.8	0.2	1.0
Ecology - Water Quality WQP - Southwest Region Office	401 WQ certification coordination for projects in Ecology's Northwest region.	0.2	0.3	0.5
Ecology - Water Quality WQP - Northwest Region Office	401 WQ certification coordination for projects in Ecology's southwest region.	0.5	-	0.5
Ecology – Program A	Senior management resources	0.9	-	0.9 ²
WDFW – Habitat Program Energy Projects	Technical assistance on fish and wildlife issues for all projects statewide.	2.1	2.4	4.5
Washington State Attorney General's Office	Legal assistance with FERC Licensing, 401 WQ certifications, amendments, and settlement agreements.	-	0.4	0.4 ³
→ Total State Agency FTEs		6.2	4.6	10.8

The workload and FTE estimates for the state agencies may differ from one biennium to the next. In a biennium where more hydropower projects are being relicensed, the state workload for the existing projects will largely consist of 401 WQ certification and FERC license article oversight activities. After projects are relicensed, continued state agency participation is necessary to assist and oversee the implementation of conditions, settlement agreements, water quality compliance schedules, and other requirements of the certifications and license articles.

¹ See Appendix A for summaries of work performed on FERC-licensed hydropower in FY 2012 and FY 2013.

² Workload from Senior management varied by year. The FTE average is 0.9

³ Workload from the AG's office varied by year. The FTE average is 0.42.

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 reviewed and consulted on 20 of these project proposals in the biennium. These proposals include the development of new dams and additional hydropower capacity for current non-hydro dams. These projects require considerable state agency resources during the initial proposal and pre-application process. Since many of these proposed projects do not currently hold a water right or FERC license, they are not assessed fees pursuant to RCW 90.16.050 unless or until they receive a water right and/or a FERC license. State and Federal general funds reported in Table 1 above remain sufficient to fund the state agency workload for evaluating these proposed projects in the preliminary licensing phase.

The following section provides the expected future workload for Ecology's Water Quality (WQ) Program and Water Resources (WR) Program, and WDFW's Ecosystem Services Division. 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 WQ certification coordinators for analysis of water quality studies, quality assurance project plans (QAPPs), modeling reviews, and interpretations of the water quality standards to develop 401 WQ certifications. WQ headquarters participation enhances consistency between regions on the development and implementation of certifications statewide. 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 licensing.

Regional Water Quality Program 401 WQ certification staff provide the lead point of contact for the dam relicensing and certifications in their regions. Responsibilities include all aspects of hydropower licensing to issue 401 WQ certifications that water quality standards, including:

- Participation in the FERC relicensing process—including meetings, workgroups, and settlement negotiations—as they relate to Ecology's 401 WQ certification authority.
- Review and preparation of comments on natural resource study plans, QAPPs, and environmental documents related to water quality.
- Development of 401 WQ certification 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 401 WQ certification.
- Implementation of conditions in the 401 WQ certification and settlement agreements after issuance.

As in the previous biennium there are fewer existing dams entering the relicensing process, shifting state agency work to implementation and management of each 401 WQ certification. The majority of relicensed dams now have compliance schedules as part of their certification conditions which require ongoing implementation activities to comply with WQ standards. Both regional and headquarters FERC staff provide assistance as the 401 WQ certifications are implemented. These activities 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 water quality modeling where needed. Ecology may also amend orders to some 401 WQ 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 Program funds expended

Water Resources Program (WR) staff provide technical analysis of licenses that may require flow modifications from new developments and as a result of species protections (such as an Endangered Species Act listing) that were not present when the license was first issued by FERC. License conditions create continuous work – adjusting flows to the needs of fish, removing fish barriers, fish passage at dams, and modifying flow releases. These actions require a process of adaptive management with input from WR instream flow specialists. WR staff located at headquarters also process billing statements and collect the water power license fees.

WR Program activities include:

- Supporting settlement agreements and 401 WQ certifications through adaptive management workgroups.
- Adaptive flow-related management in response to new information, and flow management related to 401 WQ certification conditions.
- Settlement agreement 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 WQ certifications.
- Collecting and administering water power license fees.

The WR Program's expected workload in the next biennium will be similar in nature and quantity to that of the last 2012-2013 biennium. 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 WQ 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, tribes and stakeholders throughout the FERC licensing and implementation process. Technical assistance includes consultation in the development and implementation of settlement agreement articles; management plans resulting from settlement agreements, FERC license articles and 401 WQ certification requirements. These management plans include elements necessary to protect aquatic resources as well as terrestrial resources.
- Providing internal WDFW coordination between WDFW Programs (Fish, Wildlife, Habitat, and Enforcement) and Divisions (Science, Fish Passage, etc.) to ensure agency-wide consistency in consultation with Ecology, FERC, and hydropower project owners
- 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 licensing and communication with FERC, Ecology, tribes, project owners, and stakeholders.
- Providing Ecology with monthly summary reports of significant activities associated with FERC-licensed hydropower projects, and quarterly reports of products developed and technical assistance provided to FERC-licensed hydropower projects.

The 2012-2013 biennium contract provided WDFW \$470,000 (\$235k per fiscal year) in available funding from water power license fees. For the 2014-2015 biennium Ecology and WDFW increased the funding to \$518,000 (\$259k per fiscal year) as part of the renewed Interagency Agreement (Ecology Contract # C1400043) to continue work on FERC-licensed and proposed hydropower projects.

In general, WDFW's role is to monitor the implementation and adaptive management of the protection, mitigation, and enhancement measures for salmonids, bull trout, sturgeon, lamprey, and resident fish, and to 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 the hydropower industry, and other interested parties for comments on the biennium progress report and any recommendations they would like included. Written responses were received from PacifiCorp and the Hydropower Reform Coalition. Department of Ecology and WDFW recommendations are also included. These comments and recommendations are summarized below.

PacifiCorp-Todd Olson, Hydro Compliance Director

- The decommissioning of the Condit Dam continues to go positively with good state agency representation. PacifiCorp hopes that these positive interactions will continue during the final phases of decommissioning. Positive aspects include:
 - Effective two-way communication
 - Identified roles and responsibilities
 - Continued engagement from a single representative
- Lewis River License Implementation
 - WDFW involvement has been consistent and positive, and PacifiCorp encourages WDFW to stay active in the committees and to be an interest-based player.
 - The point of contact for Ecology after the 401 certificate was issued has not been consistent, with six different people being the point of contact since 2006. PacifiCorp estimates that this has added at least an extra year or more to the 401 approval process. PacifiCorp hopes the current point of contact is more long term and that they be available for effective interest-based two way communication during the implementation of plans and provide timely input on major projects.
- PacifiCorp also recommends that as new or expanded water quality regulations are considered by Ecology, early notification is given to all stakeholders. This will allow time to ensure that protection is effective, science-based, and achievable in a cost effective manner by hydropower project owners.

Hydropower Reform Coalition-Rich Bowers, Pacific Northwest Coordinator

- Additional funding is needed to support existing and future hydropower involvement. Currently there are 21 pending and issued preliminary permits for new hydropower projects in Washington State before FERC. Additional funding is needed if agencies are to be required to review and participate in the development of new hydropower projects.
- Now that final licenses have been issued for major hydropower projects, it is important that agency staff participate in the implementation of these final agreements and ensure that licenses are meeting their compliance and mitigation obligations. It is important that Washington's resource agencies have both the staff and resources to maintain a seat at the

post-licensing table and guarantee that the improvements to natural resources contained in these new licensees are not undermined.

- New hydropower policies and payment structures are needed to address the resource agencies responsibility to respond to proposals to construct new hydropower projects, some of which use new and relatively untested technologies. These new and growing responsibilities were not anticipated when the 2007 Substitute Senate Bill (SSB) 5581 was passed, adding the additional fees to FERC licensed projects. A fee payment structure that requires new proposed projects to share in the cost of hydropower license fees is needed. The Hydropower Reform Coalitions recommends that Ecology and WDFW develop a workgroup, made up of agency, industry and nonprofit organizations, to find an acceptable and equitable process and fee structure in order to provide additional support.
- There is a need to maintain current programs and protections that reduce agencies' hydropower workloads. Agencies should support existing policies and programs that reduce redundancy, reduce unnecessary workload, and improve or strengthen state natural resource conservation goals and conditioning authority.
- There is a growing need for increasing and replacing needed hydropower staff, rebuilding expertise and hydropower relationships, and expanding hydropower expertise.
- The meeting hosted by Ecology and WDFW in November 2013 to discuss the biennial report offered a unique opportunity to have all parties meet and discuss hydropower issues. We encourage the state resource agencies to host additional meetings of this nature.

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

Recommendations from the state agencies

The water power license fees required for FERC licensed hydropower projects will expire June 30, 2017. These fees enable Washington state agencies to help the hydropower industry meet federal licensing requirements to protect and monitor water quality throughout the duration of the licenses, and to protect, mitigate, and enhance fish, wildlife and habitat.

The Department of Ecology and Department of Fish & Wildlife propose to eliminate the sunset date of the fees to ensure funds are available to help the state agency staff respond to the need of hydropower operators to implement the conditions, settlement agreements, water quality compliance schedules, and other requirements of the water quality permits and other terms of their license articles.

This continued funding will fund state assistance to:

- Support priority implementation needs and compliance schedules for environmental conditions at recently relicensed facilities and projects with off-license settlement agreements;
- Develop, implement, and adaptively manage new and existing water quality certifications, providing appropriate technical fish and instream habitat expertise;

- Review and approve certification conditions and license articles;
- Implement dam compliance schedules to meet water quality standards;
- Review, approve, and monitor progress of instream flow and habitat improvements required in the licenses;
- Develop site-specific water quality standards, use attainability analyses, or water quality offsets necessary to meet dam compliance schedules for compliance with water quality standards; and
- Participate in the design and/or implementation of environmental protection, mitigation, and enhancement measures for fish, wildlife and habitat—as well as wildlife-oriented recreation—with particular focus on management requirements for state and federally listed species and state priority habitat and species, such as salmonids, bull trout, sturgeon, lamprey, and resident fish.

This page purposely left blank

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 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. Since 2009, two hydropower projects have gained certification and one certification is pending.⁴ Five certifications were issued 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, earned a 4-year 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.

⁴ 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). In September 2011, the LIHI board approved an 8-year duration for the current certification. The project is located on the Sultan River in Snohomish County, Washington.

Black Creek Hydro Project

The Black Creek Project facility is located at Black Creek, Washington, approximately 30 miles east of Seattle. This project first earned LIHI certification in 2003 and was re-certified on October 23, 2008 under the ownership of Hydro Energy Development Corporation. This certification expired on April 10, 2013. The 3.7 MW Black Creek Project (FERC #P-6221), which is now owned and operated by Black Creek Hydro Inc. submitted an application for re-certification on May 9, 2013.

Seattle City Light

On August 28, 2008 the Skagit River Project (FERC #P-553), owned and operated by Seattle City Light, was issued an 8-year 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

The Nisqually Hydroelectric Project (FERC #P-1862), operated by the city of Tacoma, first earned a LIHI certification (#8) in 2003. The project was re-certified in 2008 and most recently on May 15, 2013. The 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.

Chelan County Public Utility District (PUD)

The Lake Chelan Hydropower Project (FERC #P-637), operated by Chelan PUD, earned a LIHI certification (#30) on January 24, 2008. The project was re-certified on December 27, 2012. The 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
Baker NWRO	Puget Sound Energy (PSE)	P-2150	<ul style="list-style-type: none"> Reviewed, commented on and approved Baker Annual Water Quality report for 2011 and 2012. Reviewed, commented on and approved background turbidity report Several technical consultation meetings and discussions with the licensee to modify water quality monitoring program Issued Administrative Order to address short term project variance Provided technical assistance, attended meetings, researched historical information and summarized report for agency regional director on Baker Hydroelectric Project Imminent Skagit Flood Drawdown Protocol Reviewed project non compliance reports, followed ERTS complaints and took required actions Reviewed Baker River Hydroelectric Project Flow Implementation Plan Attended some Aquatics Resource Group meetings and reviewed monthly meeting notes
Barclay Creek NWRO	Free Flow Power	P-13864 (proposed project)	<p>Provided review/approval and regulatory assistance:</p> <ul style="list-style-type: none"> Initial project consultations and technical assistance to licensee during feasibility assessment process Consultations and communication with other stakeholders to identify major issues, review of comments from other stakeholders Review and assistance for preliminary permit application Research of historical documents Attended joint multi agency meeting and provided comments
Bear Creek NWRO	Bear Creek Hydro Associates, LLC	P-13951 (proposed project)	<ul style="list-style-type: none"> Preliminary permit application Currently under review
Black Canyon NWRO	Black Canyon Hydro, LLC.	P-14110 (proposed project)	<ul style="list-style-type: none"> Several consultation meetings and technical assistance to licensee Site visit with licensee and other stakeholder and project evaluation Attended several project related multiagency meetings and provided comments Reviewed, commented and assisted with preliminary permit application Research of historical documents Review of several plans submitted by licensee and comments submitted by different stakeholders As primary contact for project, coordinated meetings, comments, reviews with the licensee, Ecology internal staff, WDFW, concerned tribes, AWW and other stakeholders.

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Black Creek NWRO	Black Creek Hydro, Inc.	P-6221 (proposed project)	<ul style="list-style-type: none"> • Currently under review
Boundary Dam ERO	Public Utility District No. 1 of Pend Oreille Co.	P-2144	<p>-- Attended Boundary Resource Coordinating committee meetings -- Attended monthly Fish & Aquatics workgroup meetings -- Attended Terrestrial Resources workgroup meetings -- Attended Water quality workgroup meetings -- Aquatic Habitat Improvements Projects -- Attended Hatchery Sub-Committee meetings -- Attended Sullivan Creek meetings -- Attended TDG Subgroup meetings -- Consultations with Washington Department Fish and Wildlife</p> <p>Provided review/approval and regulatory assistance:</p> <ul style="list-style-type: none"> • Boundary Water Quality 401 WQ Certification/Order No. 8872 • TDG Attainment Plan • Annual TDG Reports • D.O. Monitoring Reports • Annual Temperature Measure Implementation Reports • Draft Monitoring QAPPS for Aquatic Invasive Species Control & Prevention Plans, New Zealand Mudsnail, Zebra/Quagga Mussels, Temperature Attainment Plan, Fish Tissue Sampling • Draft Tributary Management Plan • Mill Pond Dam Removal draft plans • Draft Cold Water Release Structure Plans at Sullivan Dam

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Box Canyon ERO	Seattle, City of	P-2042	<p>-- Attended Fish & Aquatics workgroup meetings -- Consultations with WDFW , USFWS, National Forest Service, and the Kalispel Tribe -- Attend Fish Sub Committee meetings -- Attend Integrated Aquatic Plant Management meetings -- Attend Technical Committee workgroup meetings -- Attend Wildlife Sub Committee meetings -- Attend Integrated Weed Management/Rare Plant meetings Sub Committee meetings -- Site visits to Box Canyon and tributaries for technical assistance and report verification -- Attended Kalispel Tribe Coordination meeting</p> <p>Provided review/approval and regulatory assistance:</p> <ul style="list-style-type: none"> • Aquatic Plant Management Plan • Annual Shoreline Management Plan Report • Annual report Wildlife Management Plan • Annual Water Quality Monitoring Data Reports • Temperature Water Quality Attainment Plan • Tributary Habitat Restoration Plan • Trout Habitat and Restoration Plan • North Fork Callispell Creek Habitat Restoration Plans • Annual Shoreline Erosion Monitoring Report • Quarterly Erosion Control Prevention & Remediation Plan Reports • Annual Integrated Weed & Rare Plant Reports • Annual Fish Stranding Reports • Upstream Fishway Fish Behavior Study Plan • Fish Passage Reports • Box Canyon Recreation Plan and reports • Callispell Lower North Fork In-stream Restoration Report • Middle Branch LeClerc Creek Habitat Enhancement Plans • Fish Behavior & Design Investigations for Target Fish Species • Upstream Fishery Trapping & Hauling and Fish Passage Facilities Plans • Annual Resource Coordination & Monitoring Implementation Plans & Annual Reports • Annual Shoreline Management Plan • Recreation Resource Management Plan and Reports • Annual TDG Abatement Monitoring Reports • Revised TDG Abatement Plan • Temperature Management Plan • Box Canyon draft turbine upgrade plans • Rare Plant/ Sensitive Species Plan • White Man and Upper Middle Br. Pre-proposals

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Bumping Lake Hydro CRO	Bumping Lake Hydro, LLC	P-12188 (proposed project)	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Notice of surrender of preliminary permits from Bumping Lake Hydro, LLC
Burton Creek Hydro SWRO	Sollos Energy	P-7577	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Bi-Monthly Construction Report
Calligan Creek NWRO	Public Utility District No. 1 of Snohomish County	P-8864 (proposed project)	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Attended several consultation meetings and technical assistance to licensee • Site visit with licensee and other stakeholder and project evaluation • Attended several project related multiagency meetings and provided comments • Reviewed, commented and assisted with preliminary permit application • Research of historical documents and reviewed comments from other stakeholders • Reviewed and commented on water quality study plans • As primary contact for project, coordinated meetings, comments, reviews with the licensee, Ecology internal staff, WDFW, concerned tribes, AWW and other stakeholders. • Review and assistance for JARPA/401 WQ Certification preliminary permit application
Canyon Falls NWRO	Snohomish Public Utility District (SnoPUD)	(proposed project)	<ul style="list-style-type: none"> • Currently under review
Cedar River NWRO	Seattle Public Utilities	<i>Pre-FERC (grand-fathered)</i>	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Habitat Conservation Plan • Muckleshoot/SPU Agreement • Geomorphology Review

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Chelan Falls Hydro Project CRO	Public Utility District No. 1 of Chelan County	P-637	-- Participated in workgroup meetings -- Site visits to evaluate channel improvements for spawning and rearing habitat -- Lake level management discussions -- Participated in Chelan River Fisher Forum -- WDFW and PUD Site Visit -- Lake Chelan Wildlife Forum Meetings -- Lake Chelan Fish Forum Meeting -- Consultation meeting with U.S. Forest Service Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Biological status report. • Temperature model study plan • Chelan River Biological Evaluation and Implementation Plan • Lower Stehekin River Cutthroat and Rainbow Trout Spawning Surveys • Lake Chelan Annual Work Plan • Whitewater boating study • Project Safety Compliance Report • Annual Water Quality/ Minimum Flow Report • Wildlife Habitat Plan 2012-13 Winter Wildlife Survey results • Ramping Rate Deviation for Reach 4 Stream Habitat Channel • Habitat Channel Habitat Suitability Index • Minimum Flow Deviation Report • FERC extension of time request • Order Modifying and Approving Non-Project Use of Project Lands and Water
Clear Creek CRO	Free Flow Power	p-13850	-- Provided technical assistance to applicant -- Organized technical workgroup meeting. <i>Preliminary permit cancelled by FERC</i>
Cle Elum Storage Dam CRO	FFP, Qualified Hydro 24, LLC	P-13843 (proposed project)	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • FERC Correspondence With Applicant • Notice /Formal FERC Notice • Preliminary Application Documents • FERC correspondence with applicant • Notice /Formal FERC Notice
Cle Elum CRO	Free Flow Power	P-13843 (proposed project)	-- Attended multi-agency meeting to discuss Preliminary Application Documents -- Attended meeting with Free Flow Power staff to review PAD

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Cold Creek Pump Storage ERO	S. Marinez Livestock Inc.	P-14418 (proposed project)	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Preliminary Permit Application • Applicant's Response Letter • U.S. Department of Interior Comment Letter
Condit SWRO	PacifiCorp Company	P-2342	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Review of decommissioning data • Issued 401 WQ certification for license for dam decommissioning <i>(Issued by Ecology's Shorelands and Environmental Assistance Program)</i>
Cowlitz Falls SWRO	Public Utility District No. 1 of Lewis County	P-2833	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Incidental Take Statement Terms and Conditions • Attended CHAP meeting and habitat tour
Cushman No. 1 & Cushman No. 2 SWRO	Tacoma, City of	P-460	-- Attended Fish Habitat Committee meetings Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Threatened & Endangered Species Annual Report • Little Falls HPA • License Article 413 Fish Habitat and Monitoring Plan 2012 Annual Report • Big Rock Site Management Assessment • 2012 Progress Report for Fish Habitat Enhancement and Restoration Plan • License Article 410 Cushman 401 Water Quality Certification Quality Assurance Project Plan • Cushman No. 1 Spillway Analysis • License Article 407 Flow Report • Progress Report for License Article 416 Fish Passage Monitoring Plan
Easton Diversion Dam CRO	Free Flow Power	P-13850 (proposed project)	-- Provided technical support on preliminary permit. -- Construction Sediment Management Program -- <i>Preliminary permit surrendered</i> Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Best management practices and recreation angler access below falls • FERC Correspondence w/ Applicant • FERC six month progress report

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Enloe CRO	Public Utility District No. 1 of Okanogan Co.	P-12569	-- Developed 401 Water Quality Certification for FERC license -- Defended 401 WQ certification at Pollution Controls Hearing Board (PCHB) -- Provided documents for public disclosure request associated with 401 WQ certification appeal Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Fish Management Plan • Water Quality Management Plan • Construction Sediment Management Plan • Storm Water Pollution Prevention Plan • Construction Quality Assurance Project Plan (QAPP) • Water Quality Operation QAPP • Spill Response Plan • Aquatic Invasive Species Plan • Re-vegetation and Wetlands Mitigation Plan • SEPA Determination of Non-Significance for four water right applications
Green River SWRO	Tacoma, City of	P-13885	-- Reviewed progress report
Hancock Creek NWRO	Public Utility District No. 1 of Snohomish County	P-13994	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Several consultation meetings and technical assistance to licensee • Site visit with licensee and other stakeholder and project evaluation • Attended several project related multiagency meetings and provided comments • Reviewed, commented and assisted with preliminary permit application • Research of historical documents and reviewed comments from other stakeholders • Reviewed and commented on water quality study plans • As primary contact for project, coordinated meetings, comments, reviews with the licensee, Ecology internal staff, WDFW, concerned tribes, AWW and other stakeholders. • Review and assistance for JARPA/401 WQ Certification preliminary permit application
Henry M. Jackson Project NWRO	Public Utility District No. 1 of Snohomish County	P-2157	<ul style="list-style-type: none"> • Multiple technical assistance meetings with AG office • Reviewed Water quality Monitoring Plan • Reviewed and commented on Spill Prevention and Control Countermeasure Plan • Reviewed and commented on temperature monitoring in Fisheries and Habitat Monitoring Plan • Consulted on appeal and rehearing of License • Reviewed Side channel enhancement project • Reviewed Recreational Resource Management Plan • As primary contact for project, coordinated meetings, comments, reviews with the licensee, Ecology internal staff, WDFW, concerned tribes, AWW and other stakeholders.

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Horn Rapids CRO	AmNor Hydro West Inc.	P-14063 P-14064 (proposed project)	<ul style="list-style-type: none"> • Reviewed preliminary permit • Work with AG office to file for motion for intervention
Keechelus Storage Dam CRO	Qualified Hydro 32, LLC	P-14128 (proposed project)	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • FERC Correspondence With Applicant /Compliance Directive • Report/Form/Progress Report
Main Canal Headworks ERO	Grand Coulee Project Hydroelectric Authority	P-2849	<ul style="list-style-type: none"> • High flow/operation/notification table re the Emergency Action Plan under P-2840 et al.
Martin Creek Hydroelectric Project NWRO	Free Flow Power	P-13865 (proposed project)	<ul style="list-style-type: none"> • Initial project consultations and technical assistance to licensee during feasibility assessment process • Consultations and communication with other stakeholders to identify major issues, review of comments from other stakeholders • Review and assistance for preliminary permit application • Research of historical documents • Attended joint multi agency meeting and provided • Reviewed non-capacity related license amendment request and provided comments • Reviewed Diablo powerhouse tailwater restoration project and provided comments. • Toured facility with FERC representative
Mayfield & Mosyrock Projects SWRO	Tacoma, City of	P-2016	-- Attended Annual Cowlitz Project Review meetings Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • 2012 Annual Cowlitz Wildlife Area Report • Adaptive Management Plan • Upper Riffe Lake Collector Designs • Fish Habitat Management Plan
Merwin Dam SWRO	PacifiCorp Company	P-935	-- Attended Aquatics Coordination Committee meetings -- Attended meetings to discuss draft amendments and schedule Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • 2013 Aquatic Fund Projects Annual Report • Old Growth Connectivity Criteria Selection – License Article 403 & 404 • Total Dissolved Gas Abatement Planning

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Northern Wasco County People's Utility District CRO	Dalles Dam North Fishway	P-10204	-- Provided comments on the Draft Capacity License Amendment -- Coordinated comments on the draft license amendment with USFWS and Yakama Nation
Packwood Lake SWRO	Energy Northwest (WPPSS)	P-2244	– Continued review of implementation of 401 WQ certification
Pinto Dam ERO	Grand Coulee Project Hydroelectric Authority	P-14380 (proposed project)	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Preliminary Permit Reporting- Six-month progress report
Potholes East Canal ERO	Percheron Power, LLC	P-14207 P-14208 P-14231 P-14317 (proposed project)	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Preliminary Permit Application • Motion for reconsideration, extension of time, and/or stay
Potholes East Canal ERO	Grand Coulee Project Hydroelectric Authority	P-2840	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • High flow/operation/notification table re the Emergency Action Plan under P-2840 et al.

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Priest Rapids and Wanapum ERO	Public Utility District No. 2 of Grant County	P-2114	-- Attended Fish & Aquatics workgroup meetings -- Attended Fall Chinook workgroup meetings -- Attended Priest Rapids Fish Forum workgroup meetings -- Attended Priest Rapids Coordinating Committee workgroup meetings -- Attended White Sturgeon Recovery workgroup meetings -- Attended Pacific Lamprey workgroup meetings -- Consultations with Washington Department of Fish and Wildlife, USFWS, and the Yakama Nation -- Site visit of the Wanapum Upper Boat Launch Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Amendments to the Northwest Power & Conservation Council 2009 Columbia River Basin Fish & Wildlife Program • Annual Wildlife Habitat Information & Education Reports • White Sturgeon Management Plan • Annual White Sturgeon Management Annual Reports • Pacific Lamprey Management Plan • Pacific Lamprey Management Annual Reports • Bald eagle Nest & Perch Plan Annual Report • Annual Aquatic Invasive Species Report • Annual Bull Trout Monitoring & Evaluation Report • Annual Comprehensive Passage Evaluation Report • Annual Fishway Temperature Monitoring Reports • Shallow Water Habitat Water Quality Monitoring Report • TDG Annual Monitoring Report and Gas Abatement Plan • Annual Water Quality Report • Annual Resident Fish Annual Report • Final Bull Trout Monitoring & Evaluation Report • Draft Study Report for Advanced Turbine TDG Evaluation • Priest Rapids Dam Five Year Report • Yakama Nation Settlement Agreement w/ Grant PUD • Rare Threatened and Endangered Plant Monitoring Report • Native Resident Fish Plan • Priest Rapids Recreation Resource Management Plan • Best Management Practices to Minimize Adverse Effects to Pacific Lamprey (<i>Entosphenus tridentatus</i>)
Rock Island CRO	Public Utility District No. 1 of Chelan County	P-943	-- Reviewed technical reports Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Gas Abatement Plans (GAPs) • Total Dissolved Gas reports • Attended fish forum discussions • Rock Island Draft Land Management Plan

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Rocky Reach CRO	Public Utility District No. 1 of Chelan County	P-2145	--Participated in Rocky Reach Fish Forum Meeting Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Gas Abatement Plans (GAPs). • TDG reports • White sturgeon plans • Pacific lamprey plans • Native fish report • Aquatic invasive species report • Rocky Reach and Rock Island Shoreline Use Plan • Revised Rocky Reach Wildlife Habitat Management Plan • Application for pacific lamprey artificial production • Bald Eagle Nesting Activity Report • Bald Eagle Wintering Activity Report • Goose Nesting Summaries • Multivariate Models of Adult Pacific Salmon Returns • Consulted on City of Entiat marina proposal and develop SEPA comment letter • Annual AIS Report • Entiatqua Trail design
Ruth Creek NWRO	Free Flow Power	P-13866 (proposed project)	<ul style="list-style-type: none"> • Initial project consultations and technical assistance to licensee during feasibility assessment process • Consultations and communication with other stakeholders to identify major issues, review of comments from other stakeholders • Review and assistance for preliminary permit application • Research of historical documents • Attended joint multi agency meeting and provided comments
Skagit River Projects: Diablo Dam, Gorge Dam, Ross Dam SWRO	Seattle, City of	P-553	--Toured projects with FERC safety engineer and SCL staff <i>These facilities are not currently under 401 WQ certification conditions</i>
Snoqualmie Falls NWRO	Puget Sound Energy	P-2493	<ul style="list-style-type: none"> • Several technical assistance and consultation meetings with licensee, WDFW, the Snoqualmie Tribes and other stakeholders for Snoqualmie Falls Hydroelectric redevelopment project • Developed and issued 2nd amended to Snoqualmie Falls 401 Water Quality Certification • Negotiated amendment conditions with stakeholders and responded to all the comments from stakeholders • Attended some Quarterly Fish & Aquatics group meetings • As primary contact for project, coordinated meetings, comments, reviews with the licensee, Ecology internal staff, WDFW, concerned tribes, AWW and other stakeholders. • Responded to public disclosure requests • Reviewed noncompliance notification reports • Reviewed and consulted on non-capacity license amendment project

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

Water Power License Fees-Report to Legislature

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
<p>Spokane River Projects:</p> <p>Long Lake, Nine Mile, Monroe Street, Upper Falls</p> <p>ERO</p>	<p>Avista Corporation</p>	<p>P-2545</p>	<p>-- Toured projects with Avista representative -- Lake Spokane Aquatic Weed Meetings and site visits -- Consultation meetings with Washington Dept of Fish and Wildlife, Spokane Tribe and US Fish & Wildlife -- Discussions on wetland mitigation opportunities -- Met with Avista to discuss the Spokane hatchery expansion</p> <p>Provided review/approval and regulatory assistance:</p> <ul style="list-style-type: none"> • Amend 401 WQ Certification, Section 5.3 Wetlands G, Wetlands Acquisition & Mitigation • SEPA review & consultation for maintenance & construction projects at Nine Mile • Lake Spokane Dissolved Oxygen (D.O.) Water Quality Attainment Plan • Total Dissolved Gas (TDG) Water Quality Attainment Plan • Long Lake D.O. Monitoring Report • Request for Delay of TDG Monitoring at Nine Mile • Long Lake Water Quality Attainment Plan • Long Lake Picnic Area Water Quality Protection Plan • Sediment Management Plan for Nine-Mile and Long Lake • Annual Updates of Water Quality Monitoring QAPPs • Annual Water Quality Monitoring Results Reports • Annual Long Lake & Nine Mile Reservoir Aquatic Weed Management Program Reports • Upper Falls Gate & Nine Mile Falls Maintenance Water Quality Protection Plans • Upper Falls HED Powerhouse Painting Water Quality Protection Plan • Upper Falls Theme Stream Bridge Water Quality Protection Plan • Upper Falls Duct Bank Replacement Water Quality Protection Plan • Upper Falls Aesthetic Report • Avista Downtown HED Aesthetic Flow variance • Monroe Street Dredging Water Quality Protection Plan, Rock Removal & Relocating plan • Annual Long Lake Temperature Monitoring Reports • Long Lake Temperature Water Quality Attainment Plan • Long Lake TDG Abatement Phase III Monitoring Report • Annual TDG Monitoring Reports • Nine Mile & Long Lake Sediment Management Plans • Lake Spokane Wetland Plan • Avista Water Rights Report • Lake Spokane Carp Population & Distribution Study • Post Falls Dam Down-Ramping Rate Evaluation Report • Upper Falls aesthetic spill weirs • Lake Spokane Boat-in-Only Campsite locations • FERC Correspondence with Applicant / Compliance Directives • 2012 Spokane River Baseline Fish Population Assessment Final Report • 2012 Redband Trout Spawning and Fry Emergence Study Annual Progress Report

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
South Fork Tolt River NWRO	Seattle City Light	P-2959	-- Attended IFC meetings -- Attended Site visit
Sullivan Creek ERO	Public Utility District No. 1 of Pend Oreille Co.	P-2225	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Sullivan Creek Operation Compliance Monitoring Plan • Mill Pond Dam 401 WQ certification amendment
Sunset Falls NWRO	Public Utility District No. 1 of Snohomish County	P-14295 (proposed project)	<ul style="list-style-type: none"> • Several consultation meetings and technical assistance to licensee • Site visit with licensee and other stakeholder and project evaluation • Attended project related multiagency meetings and provided comments • Prepared responses for legislative inquiries and report for agency Director and regional Director. • Reviewed, commented and assisted with preliminary permit application • Research of historical documents and reviewed comments from other stakeholders • Reviewed and commented on water quality study plan • Several technical consultation meetings with public and AG office • As primary contact for project, coordinated meetings, comments, reviews with the licensee, Ecology internal staff, WDFW, concerned tribes, AWW and other stakeholders.
Swamp Creek NWRO	Free Flow Power	P-13867 (proposed project)	<ul style="list-style-type: none"> • Initial project consultations and technical assistance to licensee during feasibility assessment process • Consultations and communication with other stakeholders to identify major issues, review of comments from other stakeholders • Review and assistance for preliminary permit application • Research of historical documents • Attended joint multi agency meeting and provided comments
Swift No. 1 SWRO	PacifiCorp Company	P-2111	-- Attended tour of Swift floating surface collector -- Attended tour of mature old growth area selections -- Attended Terrestrial Coordination Committee meetings -- Attended Aquatics Coordination Committee meetings -- Attended meetings to discuss draft amendments and schedule Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • 2013 Aquatic Fund Projects Annual Report • Old Growth Connectivity Criteria Selection – License Article 403 & 404 • Water Quality Management Plan • In-water work plans & construction stormwater plans
Swift No. 2 SWRO	Cowlitz County PUD	P-2213	-- Attended Terrestrial Coordination Committee meetings -- Attended Aquatics Coordination Committee meetings Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Temperature Monitoring Report • Swift #2 Water Quality Management Plan

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Tieton Hydroelectric Project CRO	Southern California Public Power Company/Tieton Hydropower, LLC	P-3701	-- Reviewed tailrace plans Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Draft tailrace plan • FERC Correspondence w/ Applicant • 2012 Dissolved Oxygen Monitoring Report
Trinity Hydroelectric (Phelps Creek) CRO	Trinity Conservancy, Inc.	P-719	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Coordinated with U.S. Fish and Wildlife Service • Tailrace Relocation Plan • Consulted with Licensee on potential acclimation pond project
Twin Falls NWRO	Twin Falls Hydro Associates	P-4885	<ul style="list-style-type: none"> • Post 401 WQ certification project management
Wasteway Hydro Projects ERO	NorthHydro, LLC	P-14236/ P-14237/ P-14238 (proposed project)	<ul style="list-style-type: none"> • Notices of preliminary permit application

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Wells Dam CRO	Public Utility District No. 1 of Douglas County	P-2149	--Negotiated Settlement Agreement (with 6 management plans). --Developed 401 Water Quality Certification --Participate in Aquatic Settlement workgroup meetings -- WDFW Aquatic Invasive Species Program provided technical assistance --Attended Pacific Lamprey Summit Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • Gas Abatement Plans (GAPs) • TDG reports • White sturgeon plans • Pacific lamprey plans • 401 Water Quality Certification • Bull Trout Passage at The Twisp River Weir Study Plan • USFWS Biological Opinion • NMFS Biological Opinion • Wells Crayfish Study Plan • Best Management Practices to Minimize Adverse Effects to Pacific Lamprey (<i>Entosphenus tridentatus</i>) • Draft white sturgeon offspring collection plan SOA • Wells White Sturgeon Offspring Collection Plan Statement of Agreement • Aquatic Settlement Agreement Action Plan • Douglas PUD Aquatic Settlement Agreement • Annual Report Pacific Lamprey Management Plan • Annual Report White Sturgeon Management Plan • FERC approval with amendments of the Wells AIS plan

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

Project Name/ Ecology Region	Licensee	FERC No.	State Agency Activities
Woods Creek NWRO	Public Utility District No. 1 of Snohomish County	P-3602	Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • SEPA inquiries
Wynoochee River SWRO	Tacoma, City of	P-6842	<i>No actions recorded</i>
Yale Site SWRO	PacifiCorp Company	P-2071	-- Attended Terrestrial Coordination Committee meetings -- Attended Aquatics Coordination Committee meetings -- Attended meetings to discuss draft amendments and schedule Provided review/approval and regulatory assistance: <ul style="list-style-type: none"> • 2013 Aquatic Fund Projects Annual Report • Yale Water Quality Management Plan
Youngs Creek NWRO	Public Utility District No. 1 of Snohomish County	P-10359	<ul style="list-style-type: none"> • Review of monthly construction reports • Post 401 WQ certification project management • Attended commencement Ceremony • Speech for commencement ceremony

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

Appendix B. Water power license fees billed for FY2012 and FY2013

Licensee	Project Name	FERC No.	FY 2012			2013		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Avista Corporation	Little Falls	non-FERC	\$1,489.91	♦	\$1,489.91	\$1,489.91	♦	\$1,489.91
	Long Lake (Spokane)	P-2545	2,527.56	4,493.46	7,021.02	2,527.57	4,493.45	7,021.02
	Monroe Street (Spokane)	P-2545	751.10	1,335.26	2,086.36	751.09	1,335.27	2,086.36
	Nine Mile (Spokane)	P-2545	1,162.94	2,067.46	3,230.40	1,162.95	2,067.45	3,230.40
	Upper Falls (Spokane)	P-2545	647.35	1,150.83	1,798.18	647.34	1,150.84	1,798.18
Sum of all projects			\$6,578.86	\$9,047.01	\$15,625.87	\$6,578.86	\$9,047.01	\$15,625.87
Bellingham, City of	Mirror Lake	P-7747	\$363.27	\$645.82	\$1,009.09	\$363.27	\$645.82	\$1,009.09
Black Creek Hydro, Inc.	Black Creek	P-6221	\$357.06	\$634.76	\$991.82	\$357.06	\$634.76	\$991.82
Burton Creek Hydro	Burton Creek	P-7577	\$96.55	\$439.81	\$536.36	\$96.55	\$171.63	\$268.18
Cascade Water Alliance/Puget Sound Energy	White River	P-12685	\$1,166.93	\$2,074.55	\$3,241.48	\$1,166.93	\$2,074.55	\$3,241.48
Cascadian Farm	Cascadian Farm Hydro	non-FERC	\$10.19	♦	\$10.19	\$10.19	♦	\$10.19
Centralia, City of	Yelm Hydro Plant	P-10703	\$664.36	\$1,181.09	\$1,845.45	\$664.36	\$1,181.09	\$1,845.45
Dale Peterson Orchards, Inc	Company Creek	non-FERC	\$40.89	♦	\$40.89	\$40.89	♦	\$40.89
Dan Bickelhaupt (Millstream Farms)	Touchet River	non-FERC	\$12.96	♦	\$12.96	\$12.96	♦	\$12.96
Energy Northwest (WPPSS)	Packwood Lake	P-2244	\$1,281.27	\$2,277.82	\$3,559.09	\$1,281.27	\$2,277.82	\$3,559.09
Foster, Gordon	Northern Light	P-5991	\$69.55	\$123.64	\$193.19	\$69.55	\$123.64	\$193.19

Licensee	Project Name	FERC No.	FY 2012			2013		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Grand Coulee Project Hydroelectric Authority	Eltopia Branch	P-3842	\$131.21	\$233.29	\$364.50	\$131.21	\$233.29	\$364.50
	Main Canal Headworks	P-2849	522.45	928.80	1,451.25	522.45	928.80	1,451.25
	P.E.C. 66.0	P-3843	125.18	222.55	347.73	125.18	222.55	347.73
	P.E.C. Headworks	P-2840	236.86	421.09	657.95	236.86	421.09	657.95
	Quincy Chute	P-2937	294.75	524.00	818.75	294.75	524.00	818.75
	Russel D. Smith	P-2926	252.41	448.73	701.14	252.41	448.73	701.14
	Summer Falls	P-3295	1,512.00	2,688.00	4,200.00	1,512.00	2,688.00	4,200.00
Sum of all projects			\$3,074.86	\$5,466.46	\$8,541.32	\$3,074.86	\$5,466.46	\$8,541.32
Halbrook, David A.	Falls Creek	P-5497	\$63.00	\$112.00	\$175.00	\$63.00	\$112.00	\$175.00
Holden Village, Inc.	Holden Village	non-FERC	\$157.09	♦	\$157.09	\$157.09	♦	\$157.09
	Railroad Creek No. 1	non-FERC	10.74	♦	10.74	10.74	♦	10.74
Sum of all projects			\$167.83	♦	\$167.83	\$167.83	♦	\$167.83
Hydro Technology Systems Inc.	Meyers Falls	P-2544	\$235.02	\$417.82	\$652.84	\$235.02	\$417.82	\$652.84
Janda, John L. (Paid by Russell Stallman)	Janda Power House	non-FERC	\$17.47	♦	\$17.47	\$17.47	♦	\$17.47
Koma Kulshan Associates	Koma Kulshan	P-3239	\$885.60	\$1,574.40	\$2,460.00	\$885.60	\$1,574.40	\$2,460.00
Lilliwaup Falls Generating Co.	Lilliwaup Creek	P-3482	\$229.91	\$408.73	\$638.64	\$229.91	\$408.73	\$638.64
Northern Wasco County Public Utility District	McNary Northshore	P-10204	\$558.10	\$992.18	\$1,550.28	\$558.10	\$992.18	\$1,550.28
Northern Wasco County Public Utility District	The Dalles Dam	P-7076	\$409.09	\$727.27	\$1,136.36	\$409.09	\$727.27	\$1,136.36
Orcas Water Holdings c/o Rosario Resort	Cascade Creek	non-FERC	\$16.30	♦	\$16.30	\$16.30	♦	\$16.30

Licensee	Project Name	FERC No.	FY 2012			2013		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
PacifiCorp Company	Merwin (Ariel Site)	P-935	\$4,637.86	\$8,245.09	\$12,882.95	\$4,637.86	\$8,245.09	\$12,882.95
	Swift	P-2111 and P-2213	10,245.27	18,213.82	28,459.09	10,245.27	18,213.82	28,459.09
	Yale Site	P-2071	5,061.27	8,997.82	14,059.09	5,061.27	8,997.82	14,059.09
	Sum of all projects			\$19,944.40	\$35,456.73	\$55,401.13	\$19,944.40	\$35,456.73
Port Angeles, City of	Morse Creek	P-6461	\$180.08	\$320.15	\$500.23	\$180.08	\$320.15	\$500.23
Port Townsend Paper Corporation	Quilcene Pipeline	P-5411	\$104.91	\$186.51	\$291.42	\$104.91	\$186.51	\$291.42
Public Utility District No. 1 of Chelan County	Chelan Falls	P-637	\$3,040.72	\$5,405.73	\$8,446.45	\$3,040.72	\$5,405.73	\$8,446.45
	Dryden	non-FERC	218.25	♦	218.25	218.25	♦	218.25
	Little Leavenworth	non-FERC	17.18	♦	17.18	17.18	♦	17.18
	Rock Island	P-943	18,903.07	33,605.45	52,508.52	18,903.07	33,605.45	52,508.52
	Rocky Reach	P-2145	38,467.64	68,386.91	106,854.55	38,467.64	68,386.91	106,854.55
	Stehekin	non-FERC	86.58	♦	86.58	86.58	♦	86.58
	Tumwater	non-FERC	451.02	♦	451.02	451.02	♦	451.02
Sum of all projects			\$61,184.46	\$107,398.09	\$168,582.55	\$61,184.46	\$107,398.09	\$168,582.55
Public Utility District No. 1 of Douglas County	Wells Dam	P-2149	\$27,774.00	\$49,376.00	\$77,150.00	\$27,774.00	\$49,376.00	\$77,150.00
Public Utility District No. 1 of Lewis County	Cowlitz Falls	P-2833	\$2,113.77	\$3,761.23	\$5,875.00	\$2,113.77	\$3,757.82	\$5,871.59
	Mill Creek	P-4949	172.80	307.20	480.00	172.80	307.20	480.00
	Sum of all projects			\$2,286.57	\$4,068.43	\$6,355.00	\$2,286.57	\$4,065.02
Public Utility District No. 1 of Okanogan Co.	Similkameen Dam - Enloe	P-12569	\$233.59	\$415.27	\$648.86	\$233.59	\$415.27	\$648.86

Licensee	Project Name	FERC No.	FY 2012			2013		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Public Utility District No. 1 of Pend Oreille Co.	Box Canyon	P-2042	\$2,876.79	\$5,114.29	\$7,991.08	\$2,876.79	\$5,114.29	\$7,991.08
	Callispell Creek	non-FERC	126.41	♦	126.41	126.41	♦	126.41
	Sum of all projects		\$3,003.20	\$5,114.29	\$8,117.49	\$3,003.20	\$5,114.29	\$8,117.49
Public Utility District No. 1 of Snohomish County	Henry M. Jackson Project	P-2157	\$3,563.56	\$6,095.67	\$9,659.23	\$3,428.82	\$6,230.41	\$9,659.23
	Calligan Creek	P-13948	220.04	391.18	611.22	220.04	391.18	611.22
	Hancock	P-13994	237.35	421.96	659.31	237.35	421.96	659.31
	Wood Creek	P-3603	187.12	332.66	519.78	187.12	332.66	519.78
	Youngs Creek	P-10359	562.09	999.27	1,561.36	562.09	999.27	1,561.36
Sum of all projects		\$4,770.16	\$8,240.74	\$13,010.90	\$4,635.42	\$8,375.48	\$13,010.90	
Public Utility District No. 2 of Grant County	Priest Rapids	P-2114	\$31,036.50	\$55,176.00	\$86,212.50	\$31,036.50	\$55,176.00	\$86,212.50
	Wanapum	P-2114	31,144.91	55,368.73	86,513.64	31,144.91	55,368.73	86,513.64
	Sum of all projects		\$62,181.41	\$110,544.73	\$172,726.14	\$62,181.41	\$110,544.73	\$172,726.14
Puget Sound Energy	Electron	non-FERC	\$1,030.91	♦	\$1,030.91	\$1,030.91	♦	\$1,030.91
	Lower Baker	P-2150	3,118.38	5,543.78	8,662.16	3,118.38	5,543.78	8,662.16
	Snoqualmie Falls	P-2493	1,689.34	3,003.27	4,692.61	1,689.34	3,003.27	4,692.61
	Upper Baker	P-2150	2,984.73	5,306.18	8,290.91	2,984.73	5,306.18	8,290.91
Sum of all projects		\$8,823.36	\$13,853.23	\$22,676.59	\$8,823.36	\$13,853.23	\$22,676.59	
Western Hydro LLC (paid by Mentor Law Group PLLC)	Nooksack Falls	non-FERC	\$449.93	♦	\$449.93	\$449.93	♦	\$449.93
Rocky Brook Hydro Electric L.P.	Rocky Brook Electric Inc.	P-3873	\$307.52	\$442.24	\$749.76	\$307.52	\$442.24	\$749.76

Licensee	Project Name	FERC No.	FY 2012			2013		
			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	\$31,341.48	\$55,718.18	\$87,059.66
	Cedar Falls	non- FERC	1,183.09	♦	1,183.09	1,183.09	♦	1,183.09
	Diablo Dam (Skagit)	P-553	5,184.00	9,216.00	14,400.00	5,184.00	9,216.00	14,400.00
	Gorge Dam (Skagit)	P-553	6,199.57	11,021.45	17,221.02	6,199.57	11,021.45	17,221.02
	Newhalem	P-2705	366.19	651.00	1,017.19	366.19	651.00	1,017.19
	Ross Dam (Skagit)	P-553	9,230.32	16,409.45	25,639.77	9,230.32	16,409.45	25,639.77
	South Fork Tolt	P-2959	818.13	1,454.44	2,272.57	818.12	1,454.45	2,272.57
Sum of all projects			\$51,973.78	\$90,294.52	\$142,268.30	\$54,322.77	\$94,470.53	\$148,793.30
Seefeld Corporation	Smith Creek	P-5982	\$34.36	\$60.09	\$94.45	\$34.36	\$61.09	\$95.45
Skookumchuck Dam LLC	Skookumchuck Dam	P-4441	\$202.72	\$328.58	\$531.30	\$202.72	\$328.58	\$531.30
Sheep Creek Hydro, Inc.	Big Sheep Creek	P-5118	\$225.82	\$401.45	\$627.27	\$225.82	\$401.45	\$627.27
South Fork Associates, Limited Partnership	Weeks Falls	P-7563	\$404.80	\$719.63	\$1,124.43	\$404.80	\$719.63	\$1,124.43
Southern California Public Power Company	Tieton Hydroelectric Project	P-3701	\$768.21	\$1,365.71	\$2,133.92	\$768.21	\$1,365.71	\$2,133.92
Spokane, City of	Upriver Hydro Plant	P-3074	\$886.91	\$1,576.73	\$2,463.64	\$886.91	\$1,576.73	\$2,463.64

Licensee	Project Name	FERC No.	FY 2012			2013		
			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	\$1,841.73	\$3,274.18	\$5,115.91
	Cushman No. 1	P-460	1,755.82	3,121.45	4,877.27	1,755.82	3,121.45	4,877.27
	Cushman No. 2	P-460	3,269.46	5,812.36	9,081.82	3,269.46	5,812.36	9,081.82
	LaGrande Dam (Nisqually)	P-1862	128.93	229.20	358.13	128.93	229.20	358.13
	LaGrande Powerhouse (Nisqually)	P-1862	2,134.92	3,795.41	5,930.33	2,134.92	3,795.41	5,930.33
	Mayfield (Cowlitz)	P-2016	5,759.18	10,238.55	15,997.73	5,759.18	10,238.55	15,997.73
	McMillan Reservoir (Hood St)	P-10256	188.14	334.46	522.60	188.14	334.46	522.60
	Mossyrock (Cowlitz)	P-2016	10,810.60	19,218.80	30,029.40	10,810.60	19,218.80	30,029.40
	Wynoochee River	P-6842	727.77	1,293.82	2,021.59	727.77	1,293.82	2,021.59
	Sum of all projects			\$26,616.55	\$47,318.23	\$73,934.78	\$26,616.55	\$47,318.23
Trinity Conservancy, Inc.	James Creek	non-FERC	\$12.27	♦	\$12.27	\$12.27	♦	\$12.27
	Phelps Creek	P-719	63.92	113.64	177.56	63.92	113.64	177.56
	Sum of all projects			\$76.19	\$113.64	\$189.83	\$76.19	\$113.64
Twin Falls Hydro Associates	S.F. Snoqualmie River (Twin Falls)	P-4885	\$977.52	\$1,737.82	\$2,715.34	\$977.52	\$1,737.82	\$2,715.34
Walla Walla, City of	Twin Reservoirs	P-10376	\$276.87	\$492.22	\$769.09	\$276.87	\$492.22	\$769.09

Licensee	Project Name	FERC No.	FY 2012			2013		
			Base Fee	FERC Fee	TOTAL	Base Fee	FERC Fee	TOTAL
Bear Creek Hydro Association LLC	Bear Creek Hydro	non-FERC	\$191.93	♦	\$191.93	\$191.93	♦	\$191.93
Yakima-Tieton Irrigation District	Cowiche	P-7337	\$123.30	\$219.20	\$342.50	\$123.30	\$219.20	\$342.50
	Orchard Unit 1	P-7338	97.61	173.52	271.13	97.60	173.53	271.13
	Orchard Unit 2	P-7338	98.00	174.21	272.21	98.00	174.21	272.21
Sum of all projects			\$318.91	\$566.93	\$885.84	\$318.90	\$566.94	\$885.84
* Totals			\$290,497.23	\$506,515.32	\$797,012.55	\$292,200.64	\$509,988.55	\$802,189.19

* The total fees collected in 2012-2013 biennium were \$1,599,202, which is the sum of \$582,698 in base fees and \$1,016,504 in FERC fees.

♦ This project is not assessed waterpower license fees because it does not produce power or because it is exempt FERC licensing based on minimal power production.

Appendix C. Comments Received on Recommendations Related to the License Fees Expenditures

1. Pacificorps (Todd Olson)
2. Hydropower Reform Coalition (Rich Bowers)



825 NE Multnomah, Suite 1500
Portland, Oregon 97232

DEPARTMENT OF ECOLOGY

DEC 31 2013

WATER QUALITY PROGRAM

December 27, 2013

Mr. Chad Brown
Washington Department of Ecology
Water Quality Program
P.O. Box 47600
Olympia, WA 98504-7600

Subject: PacifiCorp's Recommendations for 2011 – 2013 Biennial Report on Water Power License Fees

Dear Mr. Brown,

PacifiCorp appreciates the opportunity to provide input on the Water Power License Fees program administered by the Washington Department of Ecology. The following comments and recommendations pertain to interactions with involved agencies over the period of 2011-2013. PacifiCorp's interaction with the Washington Department of Ecology (Ecology) and the Washington Department of Fish and Wildlife (WDFW) are related to two hydroelectric developments in southwestern Washington. The first development, the Condit Hydroelectric Project, was completely decommissioned in 2012. Although the dam and conveyance system have been removed, decommissioning activities continue in compliance with the Federal Energy Regulatory Commission (FERC) Surrender Order and associated Ecology 401 Certificate. The Lewis River development, consisting of the Swift No. 1, Yale and Merwin projects, gained new FERC licenses in 2008 and the company continues to implement new license conditions including stipulations of associated 401 Certificates.

Recommendations are provided by development:

Condit Decommissioning:

PacifiCorp continues to be pleased with representation of both state agencies in decommissioning activities. Agency representatives continue to be engaged. It has been valuable to have a single Ecology project contact (Ms. Loree Randall), through preparation of the 401 management plans, their implementation and monitoring reporting. Consistent contact, open sharing of current information (weekly calls with Ecology) during the decommissioning, and responsiveness by both parties have proven beneficial. Positive take-aways from this process include:

- Effective two-way communication
- Identified roles and responsibilities
- Continued engagement from a single representative

PacifiCorp has established a similar relationship with WDFW (Mr. David Howe) and appreciates the timely responsiveness to emerging unforeseen issues and continued involvement on this project. PacifiCorp highlights these items in the hope that such positive interactions with the departments will continue on this project during the final phases of decommissioning.

Lewis River License Implementation:

PacifiCorp continues to be pleased with the active involvement of WDFW in implementation of the project licenses. Region 5 biologists (Eric Kinne and Eric Holman) and WDFW's assigned Energy/Major Projects Biologist, Habitat (Peggy Miller) participate on the Lewis River Aquatic Coordination Committee and the Terrestrial Coordination Committee. These committee representatives consistently attend monthly committee meetings, review and provide input on PacifiCorp's annual resource planning and reporting, and participate in the development/design of new fish and wildlife facilities (e.g. fish passage). PacifiCorp strongly encourages WDFW to stay active in the committees and be an interest-based player. Without agency participation, license implementation projects cannot proceed on schedule, arising issues resolved, and expected resource benefits gained in a timely manner.

During Ecology's preparation of 401 certificates for the project FERC licenses, Ecology provided a single project contact (Chris Maynard) which provided many of the same benefits as previously listed for the Condit decommissioning. However, after the 401 certificates were issued (2006), the point of contact from Ecology became a revolving door. In the past few years as PacifiCorp has worked on developing and gaining Ecology's approval of 401 Water Quality management plans, Ecology has had six different people as PacifiCorp's point of contact. Efforts were made to get the contact familiar with the projects and certificates, then that person would move onto a different job. PacifiCorp estimates it added at least an extra year or more to the 401 Water Quality management plan approval process. In the end, Mr. Chad Brown did PacifiCorp a favor by staying engaged until the plans were approved (2013), even though his job assignment changed. Currently PacifiCorp is working with Ms. Carol Serdar and we hope to establish a long term working relationship with her. We recommend that Ms. Serdar give time to understand

Mr. Chad Brown, WDOE
December 27, 2013
Page 3

PacifiCorp's Lewis River hydroelectric projects and the respective Water Quality management plans, be available for effective interest-based two way communication during the implementation of plans and provide timely input on major projects.

In conclusion and in addition to above, PacifiCorp also recommends that as new or amended water quality regulations are considered by Ecology, early notification is given to all stakeholders. That such a process would be given time so that protection is effective, science based and achievable in a cost effective manner by hydroelectric project owners.

Should you need any clarification to items in this letter, please contact me at (503) 813-6657 or at todd.olson@pacificorp.com

Sincerely,



Todd Olson
Director, Hydro Compliance

cc:
Frank Shrier, PacifiCorp
Loree' Randall, Ecology
Carol Serdar, Ecology
David Howe, WDFW
Peggy Miller, WDFW



**HYDROPOWER
REFORM
COALITION**

*Putting water, wildlife,
and people back in rivers.*

December 30, 2013

Chad Brown
Washington Department of Ecology
Water Quality Program
P.O. Box 47600
Olympia, WA 98504-7600

**Re: Biennial Report to Washington Legislature: Hydropower License Fee
Expenditures**

Dear Chad,

Members of the Hydropower Reform Coalition (Coalition) would like to thank the Department of Ecology (ECY) and the Washington Department of Fish and Wildlife (WDFW) for the opportunity to comment on the 2011-2013 biennial report to the legislature on Water Power License Fees under [RCW.90.16.050](#).¹

In 2007, Coalition members joined with the hydropower industry in supporting Substitute Senate Bill (SSB) 5881, which collected fees from facilities that have water rights for power generation. These fees insure that all state hydropower efforts result in compliance with water quality standards and adequate mitigation for impacts to fish and wildlife, recreation, aesthetics, public access, and other beneficial uses. Over the next two years, there is a critical need for dedicated hydropower fees to continue so that agency staff can retain and effectively increase participation and resource protections in the face of a growing hydropower and potential water rights workload in Washington State.

**1. Additional Funding Needed To Support Existing And Future Hydropower
Involvement.**

A. New Hydropower Proposals:

In Washington State, the focus of hydropower is currently shifting from the relicensing of existing hydropower projects to proposals to construct new hydropower capacity. This shift will increase the workload for state agencies as they seek to remain involved with a growing number of efficiency upgrades; proposed new conventional dams; projects that add generation to manmade pipes, irrigation canals, and existing non-power dams; and new technologies such as wave and tidal projects. Most of these will require, at a minimum, water quality certifications and additional water rights. Currently, there are 21 pending and issued preliminary permits for new hydropower projects in Washington State before the Federal Energy Regulatory Commission (FERC).² SSB 5581, which was enacted into law more than six years ago and before many of

¹ SSB 5881 became effective on July 22, 2007.

² www.ferc.gov/industries/hydropower/.../pending-pre-permits.xls
www.ferc.gov/industries/hydropower/.../licensing/pre-permits.xls

Steering Committee:

Alabama Rivers Alliance • American Rivers • American Whitewater • Appalachian Mountain Club • California HRC
Coastal Conservation League • Friends of the River • Idaho Rivers United • Michigan HRC • Natural Heritage Institute
New England FLOW • New York Rivers United • River Alliance of Wisconsin • Trout Unlimited

these issues were recognized or addressed, provided funding to address only the hydropower workload at the time. It did not anticipate the workload associated with new projects. Additional funding is needed if agencies are to be required to review and participate in the development of new hydropower projects. This is particularly important when proposed projects feature new technologies or if they are proposed to be sited in areas that are likely to negatively impact fish, wildlife, or human needs or values.

B. Ongoing Hydropower Relicensing Involvement and Workload:

Since SSB 5581 was passed in 2007, ECY and WDFW staff has participated in a number of broad-based and impressive settlement agreements and final license conditions that improved power generation, as well as increased protection and restoration for Washington's rivers. Examples include the Spokane River Projects, Jackson Project on the Sultan River, Boundary Project on the Pend Oreille River, the 2011 removal of Condit dam on the White Salmon River, and the planned 2015 removal of Mill Pond dam on Sullivan Creek. Now that final licenses have been issued for each of these projects, agency staff must participate in the implementation of these final agreements and ensure that licensees are meeting their compliance and mitigation obligations.

Post-licensing work is critical since FERC licenses often include compliance schedules to meet state water quality standards that are not currently being attained. Agencies must participate in meetings with technical, monitoring, and adaptive management workgroups, approve management plans, review reports, and track compliance. New license conditions based on settlement agreements often include conditions that anticipate agency participation in post-licensing efforts such as on-going studies, determinations, and potential license amendments. For example, the new 45-year license for the Boundary project includes 15 years of anticipated tasks regarding upstream fish development, 18 years of entrainment assessment and evaluation, and potential changes to entrainment implementation over the next 33 years.

It is important that Washington's resource agencies have both the staff and the resources needed to maintain a seat at the post-licensing table and to guarantee that the improvements to natural resources contained in these new licenses are not undermined. Equally important is that the improvements, agreements, relationships and expertise developed in earlier relicensing are not lost and which would require a complete re-start of this program in the near future.³

2. The Need for New Hydropower Policies and Payment Structures.

The fees collected under SSB 5581 will support continued participation by agency staff in ongoing license implementation, mitigation and compliance activities related to existing facilities. However, new policies and fee structures are needed to address the agency's responsibility to respond to proposals to construct new hydropower projects, some of which use new and relatively untested technologies. These new and growing responsibilities were not anticipated when SSB 5581 was passed.

For example, a number of developers are proposing to place hydropower turbines in existing pipes, ditches and canals. With the enactment of the federal Hydropower Regulatory Efficiency

³ Relicensing of the Skagit River (FERC No. P-553) and the Newhalim Creek (FERC No. P-2705) Projects are scheduled to begin in 2025 and 2027. As preparation for a new license often begins at least five years before license expiration, State Agencies and others may be starting involvement in these projects within the next seven years.

Act in August 2013, many of these projects are no longer FERC-jurisdictional, leaving the regulation of these projects up to the states. While development of many of these projects is in the early stages, the agencies can already anticipate the additional workload. Likewise, wave and tidal projects (which are still regulated by the federal government) do not require water rights or water quality compliance (the basis for collecting legislative fees), but will require increased staff involvement in off-shore projects and a wide range of competence in dealing with marine resource issues. Proposals to add new hydropower capacity to non-power dams will require ECY and WDFW to become involved in existing management plans, including plans at federally-owned Bureau of Reclamation and Corps dams.

During the November 15th stakeholder meeting on license fees, industry representatives brought up the need for these new projects and technologies to share in the cost of hydropower license fees, arguing that existing hydropower facilities should not be required to pay the costs of regulating new projects and technologies. Our Coalition agrees. We recommend that ECY and WDFW develop a workgroup, made up of agency, industry and nonprofit organizations, that is tasked with finding an acceptable and equitable process and fee structure that would provide additional support for building agency expertise and project involvement.

3. Maintaining Current Programs And Protections That Reduce Agencies' Hydropower Workload

The workload for state agencies will 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 discouraging hydropower development on rivers and streams where it 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 the Sunset Falls and Black Canyon project sites are located within NWPPCC protected areas and river segments recommended by the US Forest Service for Wild and Scenic protection.

Other examples include recent challenges by a few developers and utilities to Washington's Initiative 937 (2006 Energy Independence Act) to make power from new dams eligible for renewable energy credits and so increase the price for this power. I-937 already credits efficiency upgrades at existing dams where increased power does not require increased water diversion, water rights, or reservoir levels. Allowing new dams to qualify for renewable energy credits would lead to additional proposals for poorly sited hydropower projects with marginal economics, many which would have unacceptable impacts on the State's rivers and streams.

To prevent wasted resources and potential negative impacts to Washington's rivers and streams, it is critical that state agencies and staff understand the implications of any proposed changes to these programs. Agencies should support existing policies and programs that reduce redundancy, reduce unnecessary workload, and improve or strengthen state natural resource conservation goals and conditioning authority.

4. The Need For Increased Hydropower Staffing And Expertise

SSB 5581 was implemented to provide a dedicated funding source that would allow ECY and WDFW to more fully and efficiently engage in the relicensing process and ensure protection of

critical resources. Unfortunately, a multi-year economic downturn has resulted in ongoing budget cuts (including cuts in the Water Quality Program) and a long-term hiring freeze. The result has been less rather than more staffing for hydropower work.

A. Increasing and Replacing Needed Staff

In the last year, a large number of state agency experts have gone into retirement, further reducing the resources available to ECY and WDFW's hydropower programs. For example, nearly all of the state staff (and many federal staff) that was involved in the 2010 settlement signing for the Boundary Project has since retired, and additional critical and expert staffs are expected to retire in the next few months. This staff expertise must be replaced.

B. Rebuilding Expertise and Hydropower Relationships

Washington State has in the past been recognized nationally as a leading expert on the FERC hydropower process (by industry, other states, and federal agencies including FERC). With the reduction in staff resources due to the hiring freeze, reduced funding, and retirements, Washington's leadership and expertise in the FERC hydropower process has waned. Given several recent federal legislative proposals that were aimed at reducing or eliminating state agency conditioning authority, there is a clear need for additional state funding and expertise if Washington wishes to retain its leadership on these issues and guarantee that it continues to have the authority to adequately protect its outstanding rivers and streams. On October 22, 2013, ECY staff significantly re-established its leadership role and relationship with FERC by representing (along with Vermont) state issues and authorities through participation in FERC's workshop on a two-year expedited licensing process for existing non-power dams and canals and pipes, and for pumped-storage projects. State participation was critical in explaining the state process, requirements and timelines.

C. Expanding Hydropower Expertise

Recent settlements, final licenses and legal decisions have pointed to state agency needs to expand its level of expertise beyond fish and wildlife and water quality, quantity and temperature when involved with hydropower projects. Settlements and final licenses for the Snoqualmie Falls (FERC No. 2493), Upper Spokane River Project (FERC No. 2545) as well as a recent final order by the Pollution Control Hearing Board⁴ on the Enloe Project (FERC No. 12569) all demonstrate the need for both ECY and WDFW to build expertise in aesthetics and recreation, both of which are values that must be protected as they constitute a "designated use" and general criteria under Washington Law. Additional dedicated hydropower funding is necessary if this expertise is to be developed.

5. Conclusion

Again, the Coalition is appreciative of the opportunity to comment on this draft report to the Legislature.

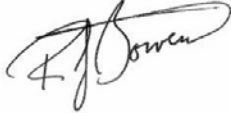
The meeting hosted by ECY and WDFW in November to discuss the biennial report to the legislature offers a unique opportunity for agency staff, industry and nonprofits to meet and discuss hydropower issues outside of the more formal and often contentious relicensing and new licensing process. This is valuable to all parties and we would encourage the agencies to host additional meetings on this topic. While limited time and resources make attending more meetings difficult for everyone, we believe that this can be justified by developing specific and

⁴ *Center for Environmental Law & Policy et al. v. Ecology et al.*, PCHB No. 12-082 (Order on Petition for Reconsideration) (August 30, 2013).

broad-based work-groups to address current and important issues affecting a wide range of hydropower generation and resource protection issues. For example, a taskforce made up of industry, nonprofits and agency staff to address new fee systems could prove productive. Likewise, an ad-hoc committee could be formed to help develop needed and new agency expertise. Coalition members would be happy to participate and help launch such workgroups.

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.

Sincerely,



Richard J. Bowers
Pacific Northwest Coordinator

Cc:
Maia Bellon, Ecology
Susan Braley and Chris Maynard, Ecology
Justin Allegro, Washington Department of Fish and Wildlife
American Rivers
American Whitewater
Trout Unlimited
Center for Environmental Law and Policy
Center for Justice
Conservation Northwest
Friends of the White Salmon River
Gifford Pinchot Task Force
Lands Council
North Cascades Conservation Council
Steelhead Trout Club of Washington
The Mountaineers
Washington Kayak Club
Washington Wild Rivers