

# FERC Licensed Hydroelectric Projects on Federal Dams

Northwest Hydroelectric Association

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First Power 1/28/2010

# FERC Licensed Projects In Pacific Northwest Region on Reclamation Projects

## Operating Projects

- American Falls (92.4 mW)
- Cascade Dam (12.4 mW)
- Tieton Dam (13.6 mW)
- Island Park (4.8mW)
- Owyhee Project (3 plants)
- Mora Drop (2.3 mW)
- Dietrich Drop (4.8 mW)
- Grand Coulee Hydroelectric Power Authority (7 plants)
- Arrowrock Dam (18 mW)
- Arena Drop (.4 mw under construction)



# FERC Licensed Projects

- Reclamation Does Not Assess Fees For Use of the Dam (No Falling Water Charge)
- Government's Staff time is Reimbursed in Advance
- Standard FERC Fees Apply
- FERC Performs Scheduled Annual Inspections

# *Lease of Power Privilege*

- Alternate way projects may be built on Reclamation Dams
- Reclamation must retain federal preemption on project facility
- FERC has no authority over project Under Lease of Power Privilege
- Reclamation assumes the role of NEPA, setting project prescriptions, etc.
- Reclamation competitively bids development rights
- Developer builds project essentially as Reclamation's agent
- Power must first be offered to federal customers

## ***Qualifying Projects***

- Power must be included as a Congressionally Authorized Project Purpose ..... or,
- Under 1992 EPA - Reclamation first offers development rights to Bonneville Power

## Unique Role of Reclamation

- Regulator
- Owner
- Partner in Operation

# ***Regulator***

- Authority under Section 4(e) & 10(a) of FPA
- Federal Agency under the of Department of Interior
  - Generally we will limit our project prescriptions to the Reclamation Zone except where project affects ESA responsibilities

## ***Interior Will Speak With One Voice***



- We will coordinate comments and project prescriptions with FWS, FS, BLM, etc.
- Comments will be compiled by the Regional Environmental Officer for consistency between agencies.
- All resources of Interior are available to Reclamation
- Use the experience from other agencies.
- Lead agency for implementation of license articles within Reclamation zone.

## Owner / Representative of United States

- 1992 MOA with FERC Established the Process That Allows Non Federal Development on Reclamation Projects
- Security of Federal Facilities
- Integrity of Dams and Structures



## Partners in Operation

- Water Operations / Delivery
- Maintenance Schedules
- Coordinated Emergency Action Plans
- Site Security and Access



# Our Ultimate Hammer



- Contract for Coordination & Construction
- Contract for Coordination & Operation

Contracts are not signed until after the License is issued and generally not until construction is close to commencing.

Contracts may (will) include conditions not included in the FERC License.

Provisions for reimbursement of agency costs



## Significant Areas Covered By The Contracts\*

1. Project Lands - Defines what lands may be accessed by the licensee. We do not allow access to many portions of our facilities.
2. Condition Precedent - Insures they have a FERC license.
3. General Provisions - Ensure FERC plant does not interfere with dam operation.
4. Title - Retains title to all lands underlying the plant.
5. Construction - Ensure that developer has all state and federal licenses. Ensures they submit plans, etc. for approval. Requirements for engineering design review and inspections.
6. Inspection - Gives us rights to inspect their construction and stop work if it does not meet our standards.
7. Use of Explosives - not without our specific approval from TSC.
8. Payment - Sets conditions for reimbursement of Reclamation staff time and expenses.
9. Construction Data - Makes sure the submit plans, etc. for approval and at completion.
10. Water Supply - Ensures the IPP does not interfere with delivery of water to the districts.
11. Information Technology Security – Provide for computer security.
12. Safety and Health
13. Emergency Action Plan - Ensures they have and EAP that is coordinated with Reclamation's EAP
14. Joint Inspection After Construction - Ensures when construction is complete the site is left clean
15. Operating Agreement - Sets the requirement for IPP to sign an operating agreement
16. Security Requirements

\* Numerous other legal areas are covered by the contracts as well.

Many of Reclamation Dams are approaching 100 years old.



ISHS 70-42.153

Dedication of Arrowrock Dam 1915



Construction is to Federal Standards and Oversight  
Required For Modification of Federal Facilities

Licensee will be responsible for all additional project impacts such as:

- Fish Passage.
- Modification of Federal Facilities to retain original function.
- Operation of additional project works.
- Shared operation costs as appropriate.

Reclamation will allow upgrading and refurbishment of federal facilities required to accommodate licensees additions or operation, but title to such facilities must remain with United States.

## Licenses in Progress

- Mason Dam – P-12686
- Wickiup Dam – P-12965
- Various preliminary permits

FUTURE ???? ?

## Reclamation Programs

- Department policy to support development of new energy projects.
- Possible future funding to assist development.



Questions