

# PROJECT EVALUATION PROCESS FOR USE OF BAKER SA 602 FUNDS

BAKER RIVER HYDROELECTRIC PROJECT  
FERC No. 2150



June 2013



## Introduction

Settlement agreement article 602 (SA 602) of the Baker River Hydroelectric Project license provides for the funding of license implementation activities. SA 602 requires that a process be used to evaluate such projects. The article states:

*Evaluation Process for Use of Baker Funds*

Proposed projects must be consistent with applicable laws and, to the extent feasible, will be consistent with policies and comprehensive plans in effect at the time the project is proposed. Within two years following license issuance, licensee shall, in consultation with the BRCC, develop a system to evaluate potential resource projects that is to be approved by each of the ARG, TRIG, RRG, and CRAG (Project Evaluation System). The Project Evaluation System shall include criteria and procedures for fund expenditures required by this article.

For each project proposed, licensee shall apply the factors and criteria established in the Project Evaluation System and submit a written recommendation to the Resource Group(s) charged with funding review, and request a meeting of the Resource Group(s) to discuss the proposed project. Decisions and/or disputes of each Resource Group related to a proposed project shall be documented. The development of criteria for evaluating projects in the Project Evaluation System may include, without limitation, the following considerations:

- a) timeframe for project implementation and permitting requirements and cost;
- b) horizon and scope for benefits (long-term multiple benefits best);
- c) whether the project could be cost shared with other funding sources;
- d) probability of success based on prior implementation; and
- e) cost-effectiveness.

## Project Nomination

Any member of the Baker River Coordinating Committee (BRCC) may sponsor proposals for consideration of SA 602 funding to one or more of the Resource Groups (ARG, TRIG, CRAG, or RRG). In addition, resource group representatives may propose projects for funding. Non-BRCC entities may submit proposals, but all proposals must be sponsored by a member of the BRCC (the sponsor) as per SA 601.

To facilitate timely and efficient review of proposals, the resource group will implement the processes described in the Project Proposal and Project Review and Approval sections.

## Project Proposal

Proponents requesting funding from Article 602 must provide a Project Proposal with the following information to the appropriate resource group (ARG, CRAG, RRG, TRIG). Proposals are not required to be exclusive to a single resource fund and may include a prioritized list of components from one or more resource funds, and thus

require authorization by each respective resource group. Additional information and attachments such as photographs and other graphics can be attached as appendices to the Proposal.

### (A) Title, Sponsor, Project Description, and Contacts

- a) Name: Brief title by which the project can be identified in discussions.
- b) Sponsor: BRCC member sponsoring the project.
- c) Description: Description of the proposed project, including the following.
  - i) Location, including project map and location map
  - ii) Project scope: Describe the type of action (e.g., fee acquisition, vegetation planting, cultural resources protection measure, etc.) and description of construction/implementation methods (including BMPs), maintenance, management, monitoring (including protocols), and anticipated results of action.
- d) Contacts: Names, addresses, and other contact information for parties responsible for implementing the project including subcontractors and subconsultants, if known.

### (B) Project Benefits

State the anticipated benefits of the project to SA 602 and for each related resource group area (TERF, RAM Fund, HERC Fund, and CREF). Multiple long-term benefits may provide better justification for project funding than a single short-term benefit. Describe the resources to be enhanced, protected, or improved by the action and anticipated duration of such benefits.

Explain how the proposed project aligns with the stipulations of relevant Settlement Article(s), supports the goals of the associated Resource Group(s), and is relevant to the Baker River Project. State the potential risks associated with taking the action.

### (C) Project Cost, Schedule, and Permitting Requirements

1. Project Cost: Include a cost breakdown of the total project cost. Include breakout costs for design and construction, including labor, equipment, materials, subcontractor/subconsultant expenses, bonding, insurance, and other significant project costs. State any factors that may increase or decrease project costs. Include a proposed accounting report format and means for tracking project estimates and actual costs.
2. Project Schedule: Include start and completion dates, sequencing, and major milestones. Describe factors which could delay project completion and consequences of delays. Describe organization's readiness for implementation.
3. Permits: List the required permits that must be obtained and complied with, and describe the effect that these permits will have on the project's schedule and cost.

#### (D) Other funding sources

List all other funding sources for the project, along with the amount of funding each source will provide. State whether the project can proceed without other funding sources.

#### (E) Probability of success

Provide a history of similar projects. Include dates of completion, short project descriptions, costs, and project outcomes. Discuss the anticipated likelihood of the proposed project's success based on these past projects.

#### (F) Cost-effectiveness

Provide an analysis of reasonable alternatives to the proposed project, comparing their costs, benefits, and effectiveness, especially if the project's anticipated outcome can be achieved by other means.

## Project Review and Approval

After a project proponent/sponsor has submitted a Project Proposal to the appropriate resource group, the PSE resource team lead will confirm that the Proposal meets the proposal criteria listed in the previous section. If the Proposal is incomplete, the PSE resource team lead will coordinate with the proponent to provide a completed Proposal. PSE will evaluate the completed Proposal and per SA 602 make a written recommendation to the resource group. The resource group will review and evaluate the Project Proposal at their next convened meeting or at a special meeting of the resource group as requested by PSE.

The resource group will evaluate each proposed project according to the evaluation criteria in SA 602, the information included in the project proposal, and other criteria established by each resource group. Note: For multiple projects, the resource group may establish a rank order system or some other means to objectively rate and rank the different proposals.

Projects will be approved by the resource group subject to the decision making and dispute resolution procedures described in Article 601.

Notwithstanding approval by the Resource Group or BRCC no project can be approved that is not compliant with applicable laws and regulations

## Project Monitoring and Accounting

Once a project has been approved, the following accountability processes will be initiated to assure the satisfactory completion of the project and appropriate accounting for funding.

Funds will be disbursed per article 602. Funds shall be disbursed by licensee for approved resource projects at the time of receipt of invoices for actual expenditures incurred in conformance with the approved project and implementation schedule, unless otherwise provided by licensee.



Periodic progress reports will be filed at stages or milestones approved in advance by the resource group. Note that some projects may be small in scope or short in time frame and may not require progress reports. Reports will be submitted to the PSE resource team lead responsible for the project tracking. Reports must include comparison of actual project schedule with proposed schedule, actual project budget with proposed budget, status of fulfilling permit requirements, and a general description of progress. Photos or other documentation should be included as appropriate to demonstrate progress.

In the event that the project scope changes, budget overruns have occurred or are anticipated, or the project schedule is delayed, the proponent must notify the PSE team lead and describe how the proponent will remedy these issues. In the event that project delays or budget overruns cause material alteration to the completion of the project as originally proposed, PSE in consultation with the approving resource group may elect to terminate the approved project or seek other remedies.

If the project is not completed as proposed, PSE may withhold part or all of invoiced work and seek other remedies.

## Funds Disbursement

Consistent with SA 602, funds shall be disbursed by the licensee at the time of receipt of invoices for actual expenditures incurred in conformance with the approved project and implementation schedule, unless otherwise provided by PSE.

PSE may approve the disbursement of funds in advance of the work commencing. In these cases, the project proponent will contractually agree to provide PSE with detailed reporting of the expenditure of funds within 120 days of project completion. The report will itemize actual costs for project labor, materials, equipment, outside services, fees, and any other major costs incurred to complete the project. The project proponent will also provide PSE with copies of invoices for expenditures in excess of \$2,500.

## Project Reporting

Following completion of the project (within 6 months) a final project report will be filed with the resource group. This report will include a general description of the project, a detailed accounting of funds, and any other appropriate documentation. Final invoices for the work will be paid after completion of the work and acceptance of the final report.