
BAKER RIVER PROJECT RELICENSE

Solution Team

May 23, 2001

9:00 a.m. – 3:00 p.m.
(with working lunch provided)

US Forest Service Office
21905 64th Avenue West
Mountlake Terrace, WA 98043

AGENDA

1. Introductions
2. Review/Revise minutes/Agenda
3. Action Items
4. “Final” Interest List
5. FERC Update – Coming changes, NOI filed 4/16/01, request for ALP
6. Project map
7. Review Process Document and Communications Protocol – determine next steps
8. Demonstration of Operations Model
9. Studies update
10. Expectations
11. Other issues?

12. Set agenda (and confirm location) for June 27 meeting

13. Evaluate meeting

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Mission: By April 30, 2004, the Baker Solution Team will draft a settlement agreement for relicensing of the Baker River Project that best meets the interests of the signatories.

FINAL MEETING NOTES

Team Leader: Connie Freeland (Puget Sound Energy) (425) 462-3556, cfreel@puget.com

PRESENT: Stan Walsh (Skagit System Cooperative), Bob Helton (Citizen), Bill Reinard (Wildcat Steelhead Club), Patrick Goldsworthy (North Cascades Conservation Council), Arn Thoreen (Skagit Fisheries Enhancement Group), John Boggs (Concrete Heritage Museum Association), Bob Nelson (Rocky Mountain Elk Foundation), Jon Vanderheyden (U.S. Forest Service), Paul Schissler (City of Concrete), Gary Sprague (WA Dept. Fish & Wildlife), Rod Sakrison (Dept. of Ecology), Jerry Louthain (City of Anacortes, Skagit Co. PUD), Don Schluter (Trout Unlimited) – phone, Tony Fuchs (PSE), Kristen Schuldt (PSE), Ed Schild (PSE), Lloyd Pernela (PSE), Cary Feldmann (PSE), Bob Barnes (PSE), Lyn Wiltse, facilitator (PDSA Consulting, Inc.)

Future Meeting Dates, Times and Locations:

June 27, July 25 – 9 a.m. to 3 p.m. at the Forest Service Office (Mountlake Terrace)

Location for August 22 meeting is undetermined. The Mountlake Terrace location is unavailable in August.

Note: If you have trouble with directions or encounter any last minute changes to your plans, call Lyn Wiltse's cell at 425-444-8156. She will have her phone turned on from one hour before the start of the meeting until the start of the meeting.

Parking: The permit signs posted in the parking lot are aimed at “after hours” users. There is no problem with our group meetings.

NEW ACTION ITEMS:

- Lloyd: Respond to May 21 versions of Communication Protocol and the Process Document by listing major issues/points of departure and sending this list to Solution Team members by June 13.
- Stan will send out an email to everyone who participated in putting together the May 21 versions of these documents and ask them how they would like to proceed in terms of addressing the issues PSE raises in response to these documents.
- ALL: Let Stan know your suggestions on how to proceed with integrating feedback into the documents.
- ALL: Send comments on May 21 versions of documents to Kristen (zkschul@puget.com) by June 20.
- Connie: Contact Skagit and Whatcom counties re: their participation in this process.
- Connie (PSE): Send out a letter to WA Trout, Center for Environmental Law and Policy, the Federation of Fly Fishers, Northwest Ecosystem Alliance, People for Puget Sound, the Skagit Audubon Society, The Washington Environmental Council, and the Wild Salmon Center to remind them of the process and ask them for interest statements from their organizations.
- Connie: Get summary of organizations PSE has already contacted to Patrick so he doesn't try to reinvent the wheel when he goes knocking on doors.
- Patrick: Contact environmental organizations in the Puget Sound Area re: participation.
- Connie: Email out interests for Fidalgo Fly Fishers and Skagit and Whatcom Counties Noxious Weed Control Boards.
- Gary: Check relevance of WDFW Hydro Power Plan to what we're doing.
- Lloyd: Email out FERC's ruling on NMFS Endangered Species Act petition.
- Connie: Check on availability of PSE Everett Office meeting room for our August 22 meeting.
- Kristen: Email: 1) study requests index by Working Group and 2) approved new preliminary study requests (for 2001 field season) for each Working Group to members prior to June meeting.
- Lloyd: Draft questions/issues for Steve Hocking (FERC) and invite him to future meetings.

REPORT ON OLD ACTION ITEMS

- Cultural Working Group: Put together a brief description of relevant cultural regulations and authorities to share with this team.
- Don and Lyn contacted Brett Swift of American Rivers re: getting their interest statement for the Solution Team. She said not to expect an interest statement from them. They are extremely short on resources and probably won't be able to participate in the process. They may even ask to be removed from distribution lists, with the exception of notifications of public meetings.
- Fred: Ordered copies of digest of Federal National Resource laws for members of this team (April meeting).
- Kristen: Emailed 1) study requests index by Working Group and 2) approved preliminary study requests (for 2001 field season) for each Working Group to members prior to April meeting.
- Jon: Checked on the parking situation at the USFS office in Mountlake Terrace (where we've been meeting). There is no problem with our continuing to meet and park here. The permit signs are aimed at after hours folks.

AGENDA

May 23, 2001 USFS Office, Mountlake Terrace, WA

9:00 to 3:00 (with working lunch provided)

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5. FERC Update – Coming changes, NOI filed 4/16/01, request for ALP
6. Project map
7. Review Process Document and Communications Protocol – determine next steps
8. Studies update
9. Operations Model Update
10. Discussion of expectations
11. Other Issues
12. Set next agenda/ (and confirm location) for June 27 meeting
13. Evaluate meeting

INTRODUCTIONS:

We welcomed two new attendees:

Tony Fuchs, Puget Sound Energy (Team Leader of the Terrestrial Working Group, and PSE representative on the Recreation Working Group), and Kristin Schuldt, Puget Sound Energy (FERC Licensing Information Coordinator). Also attending: Bob Barnes, Puget Sound Energy (Water Resource Program Manager).

DISCUSSION OF INTERESTS

New interests will be listed in the body of the minutes of the meeting where they are discussed.

Patrick stated that he will be representing the interests of the Nature Conservancy. He will also seek to contact the heads of other such agencies to try to get a list of their interests.

Gary shared the Interest Statement for the WA Department of Fish & Wildlife. He included relevant authorities from the WA State - RCW 77.04.012, Mandate of department and commission and the Federal Power Act, Action 10 - All licenses issued under this Part shall be on the following conditions: (a) (1), (2) (A) (I) (ii), (B), Section 10 (j) (I), (16 U.S.C. 661 et seq.)

The statement below has been rearranged to reflect discussion.

Interest Statement of the Washington Department of Fish & Wildlife related to the relicensing of the Baker River Hydroelectric Project, May 2001:

To preserve, protect, perpetuate, and manage fish and wildlife. This includes assuring the availability of sufficient habitat quantity and quality to meet the needs of fish and wildlife over the term of the process, typically 30 to 50 years of the new FERC license.

- Maintain and restore aquatic and terrestrial biological diversity and ecosystem productivity.

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- Provide for protection, mitigation, and enhancement of aquatic and terrestrial species populations and habitats that would be affected by impacts from the development, operation and management of the project.
 - Maintain and develop habitat connectivity to provide long-term plant and animal movement and dispersal.
 - Manage or eradicate non-native plants and animals.
 - Comply with state and federal laws, comprehensive plans and treaties.
 - Facilitate the recovery of species proposed or listed under the Federal Endangered Species Act.
 - Facilitate the recovery of state listed endangered and threatened species and state and federally proposed, candidate, sensitive or monitor species.

Arn stated that he appreciated the way the interest was worded, i.e., focus on protect and enhance vs. harvest management.

Revised interest statement from Wildcat Steelhead Club

- Sustainable levels of anadromous and resident fish stocks to historical levels (to support both fisheries and ecological concerns)
- Maintaining and restoring wild populations and natural processes
- Maintain ecological relationships in the watershed
- To protect, preserve and perpetuate fish and wildlife in their natural habitats
- To harvest recreationally, with emphasis on high sockeye productivity
- PSE to stay in business with necessary needs provided
- Maintain balanced nutrient content of the reservoirs for optimum productivity of salmonids and char (utilize carcasses and chemical nutrient application).

Missing Interests:

Interests are still needed from the following:

- U.S. Fish & Wildlife Service (Fred Seavey)
- WA Department of Natural Resources (Steve Jennison)*
- Skagit County Public Works (Derek Koellmann)

* Have early draft

OUTAGE UPDATE

The plant will be back on line the end of June/early July. They are currently spilling at Lower Baker 2000 – 4000 cfs. Upper Baker is only about 10 feet down.

FERC UPDATE

Lloyd stated that FERC has officially accepted PSE's Notice of Intent. He distributed copies of the Notice of Intent (NOI). He has been in contact with the FERC-appointed point of contact, Steve Hocking (listed in the NOI). Steve is interested in visiting the project and would meet the Solution Team. The handout included Steve's contact information.

FERC has denied petitions by NMFS and Washington Trout to re-open FERC's ruling for the Baker Project on the Endangered Species Act. PSE is in formal consultation with NMFS and FERC to address ESA issues.

FERC sent the Section 603 report to Congress "Report on Hydroelectric Licensing Policies, Procedures, and Regulations Comprehensive Review and Recommendations."

[http://www.ferc.gov/hydro/docs/ortc_final.pdf]. It identifies ways the relicensing process could be improved/streamlined. This report is only a recommendation to Congress. The GAO report is out on the FERC process "Licensing Hydropower Projects: Better Time and Cost Data Needed to Reach Informed Decision About Process Reforms" [GAO-01-499, <http://www.gao.gov>].

President Bush's National Energy Policy Development Group issued the President's National Energy Policy [<http://www.whitehouse.gov/energy>]. There is a FERC order out asking all power plants to do what they can to increase efficiency and identify opportunities for increased generation. [Docket EL-01-47].

PROJECT BOUNDARY MAP

Tony Fuchs posted a copy of the current FERC boundary. The boundary reflects what was set in 1956. PSE has worked with the Forest Service to integrate GIS data. They are also working with R2 Resource Consultants (GIS consultants) and Walker & Associates (aerial photo/mapping consultants). They have developed a Digital Terrain Model (DTM) showing 5-foot contour intervals of the project area. The map also shows Forest Service coverage of roads and streams, and water bodies outside the project area.

The Terrestrial Working Group is doing a study of cover typing. For that work, they are creating ortho photos which will be created using the DTM information. The goal is to integrate all map sources into a consistent digital format. There were questions regarding who determines the FERC boundary and also about accessibility to the map. Email Tony for directions to access these data. The existing FERC boundary will differ from the proposed boundary reflecting Project improvements and changes (e.g., Highway 20). The FERC boundary map is different from what will be determined as the Area of Potential Effect (APE).

There was a question as to whether the 5-foot contour intervals would be sufficient for the needs of this team. PSE chose these intervals for general mapping purposes in the license. Mapping can be refined as needed in the future, i.e., higher resolution where needed. PSE took advantage of the low drawdown to gather data that were available under these unusual conditions.

Lyn will bring this map with her to Solution Team Meetings and to Working Group meetings as well.

UPDATE ON PROCESS DOCUMENT AND COMMUNICATIONS PROTOCOL

Stan reported that the attorneys for agencies (U.S. Forest Service, U.S. Fish & Wildlife Service, National Marine Fisheries Service, WA Department Fish & Wildlife, National Park Service, and WA Department of Ecology) and tribes completed their initial review of the Communications Protocol and the Process Documents and sent a draft to PSE at the end of the day on May 21. PSE distributed a copy to all Solution Team members as soon as they received it. PSE in its request to use the ALP process would file these documents with FERC. FERC requires a Communications Protocol for the Alternative Licensing Process. A Process Working Group was originally formed to draft that document for the Solution Team

to review. They created several versions of the Communications Protocol and Process Document. PSE after internal and legal review revised both documents to define operations in the pre-ALP approval process, open Policy Team membership, include FERC dispute resolution process, and establish closure of study periods, and reformatted the Process Document. The re-write was considered extensive. The resource agencies, with their legal review, put together new versions for the Solution Team to review. Their aim was to have agencies which have responsibilities under the Federal Power Act get together and create something they could support. The intent was to expedite the process. These documents include issues/conditions once proposed in an MOU by Agencies for PSE and agencies to sign.

PSE agreed to respond to these May 21 versions of the Communications Protocol and the Process Document by listing major issues/points of departure and sending this list to Solution Team members by June 13.

Stan will send out an email to everyone who participated in putting together the May 21 versions of these documents and ask them how they would like to proceed in terms of addressing the issues PSE raises in response to these documents. Everyone let Stan know your suggestions on how to proceed. Regarding specific comments on the May 21 version of the Communications Protocol and Process Document, all members are asked to email comments to Kristen [zkschul@puget.com]. Kristen will send these out as soon as she receives them using the Solution Team electronic and snail mail distributions as appropriate. Folks are asked to send their comments to her by Wednesday, June 20, to give team members a week to review.

REVIEW OF INITIAL WORKING GROUP STUDY REQUESTS

Lyn distributed copies of study requests that Kristen sent out to folks last month. We are making every effort to look for synergies. Tony mentioned that some potential studies are being tossed back and forth between working groups. Each thinks the issue belongs in the other's back yard.

PSE is hoping that Working Groups will submit new study requests for the 2002 field season by the end of August 2001.

CHARLES HOWARD HYDRO OPTIMIZATION MODEL (HYDROPS) – Presented by Bob (PSE)

This is a real-time operational model used to govern the operation of each of the turbines. This model can be set up to produce power output (with assigned differential values) on an hourly basis. It also allows for seasonal adjustments. PSE is fine tuning this model and will begin using it for its operations. If team members are confident in the capability of this model, Charles Howard & Associates (as an independent third party) would run various scenarios through this model to assist this team with analyses of these scenarios.

NOTE: All models have limitations. They afford us a standardized methodology to compare relative impacts of various scenarios.

The approval of this model for the Baker Relicensing Process will require participants' confidence. This may be beyond the experience of the Solution Team members, who probably don't want to dig into the "nuts and bolts" of the model. A major challenge for this team is to have confidence in the assumptions that are run through this model. The purpose is to get meaningful data from realistic scenarios. The

Solution Team may want to have some consulting/peer review to help validate the model as a meaningful tool for this process.

Bob walked the group through a year-long reservoir operations scenario, demonstrating the model.

HANDOUTS

- FERC Notice of Intent to File Application for a New License
- Cultural Oligotrophication: Causes and Consequences for Fisheries Resources
- Optimization of Hydroelectric Operations, Water, and Power Management
 - Fig. 1: State-Storage Curve, Shallow Reservoir
 - Fig. 2: Plant Efficiency, Shallow Reservoir
- HYDROPS Functional Interaction of Decision Support System Modules

PARKING LOT

- Members disclose legal requirements (perceived authority and responsibility).
- Members need to describe their roles in terms of decision-making authority in their organizations (this relates to who would be members of the Policy Solution Team).
- Develop a template for Working Group recommendations.
- Define a process for delayed resolution (based on incomplete studies).
- PSE provides their expectations of license legal ramifications.
- Adaptive management:
 - How can we take into account future technology, knowledge, conditions, resources, etc.?
 - How can we balance licensee exposure?
- Clearly define everything to be included in a settlement agreement (expectations).
- Determine what is/isn't part of the administrative record.
- Develop procedures around press attending these meetings.
- How to enlist recreational users.
- Define "mitigate."
- Define "baseline."
- Define "project induced."
- Consider tour.
- FERC boundary.

MEETING EVALUATION

Well-Dones:

- Don's report of Mariner game
- Bob's demonstration of Operations Model
- Good discussion on how to handle Communications Protocol/Process Document
- We came up with a way to handle a difficult situation
- The agencies' product
- Lots of hard work
- Documents are succinct
- WA State Fish & Wildlife interests

Need to Improve:

- Ran over
- Missed Connie, Steve, Fred, Kathy, Larry, Bruce, Wayne
- Move “meaty” issues up front

TENTATIVE AGENDA FOR NEXT MEETING

June 27, 2001 Mountlake Terrace, WA

9:00 to 3:00 (with working lunch provided)

1. Introductions
2. Review/revise minutes/agenda
3. Action Items
4. Update progress re: Communication Protocol and Process Document (set additional meetings?)
5. Studies update
6. Discussion of “ongoing impacts,” etc.
7. Expectations
8. Other issues?
9. Set next agenda (July 25) – location for August 22?
10. Evaluate meeting

NOTE: Steve Hocking, from FERC, has said he will attend July 25 meeting.