Rye Development

745 Atlantic Ave. 8th Floor, Boston, MA 02111

January 28, 2018

Diane Davis
Oregon Public Utility Commission
Administrative Hearings Division
550 Capitol St NE, #215
Salem, OR 97310

Re: NOTIFICATION OF INTENT AND PRE-APPLICATION DOCUMENT FOR THE GOLDENDALE ENERGY STORAGE PROJECT, FERC NO. 14861

Diane Davis,

This notice is provided to inform you that FFP Project 101, LLC (Applicant) intends to file for an original license for the proposed Goldendale Energy Storage Project FERC No. 14861 (Project).

The Notification of Intent (NOI) and the Pre-Application Document (PAD) filed with the Federal Energy Regulatory Commission (FERC) are available for download at the following web address:

http://www.ryedevelopment.com/projectstor/goldendale-washington/

The Applicant has petitioned the FERC to license the Project using the Traditional Licensing Process (TLP).

FERC issued a Preliminary Permit on March 8, 2018 for the purpose of allowing the Applicant to investigate the feasibility of the Project, conduct investigations, consult with appropriate state and federal resource agencies and secure the necessary data to determine the feasibility of the Project, and to prepare a license application. Since filing for the permit, the Applicant has maintained steady progress on the Project by conducting outreach to local stakeholders, entering into agreements for site access with the majority landowner and water rights holder, continuing dialog with Bonneville Power Administration regarding interconnection initiating discussions interested parties regarding the purchase of energy output, and evaluating the feasibility and economic potential for the Project.

The initial stage for seeking a license was the preparation of the PAD, which is included with this submittal to the FERC and is also being supplied to stakeholders. The applicant has continued to make a good faith effort to reach out to numerous state agencies and interested stakeholders to obtain existing resource information, as well as understand potential impacts associated with the project. Based on these efforts, as well as other facts and circumstances, the Applicant believes that the default Integrated Licensing Process (ILP) would not serve the stakeholders' best interests and that the TLP would instead be a more appropriate, cost-effective, and efficient method for proceeding.

Pursuant to Section 5.3(c)(1)(i) and (ii), the following considerations are being addressed:

(A) Likelihood of timely issuance;

The ILP is an intensive, front-loaded process that involves scoping under the National Environmental Policy Act (NEPA), study plan development, dispute resolution, study plan implementation, and

application development. The ILP imposes a stringent timeline on the licensing process, thereby placing significant demands on all parties involved—including already strained resource agencies—to meet rigid deadlines. Any one failure in this regard could set the project back months to years and even jeopardize the project completely; because of this, the Applicant believes the TLP would allow both the applicant and resource agencies to complete all requirements necessary for issuance of a license in a more timely manner.

(B) Complexity of the resource issues;

The Applicant believes that, while significant and obviously important, the resource issues of the Project are both simple and minimal compared to other projects of this scale. Concomitantly, the likelihood of significant dispute over studies is also minimal. Given the Applicant's willingness to adequately address these issues, the Applicant believes that the TLP would better facilitate moving the licensing process forward. It would allow the Applicant and agencies to focus immediately on the issue resolution without being burdened with additional pre-resolution requirements under the ILP.

(C) Level of anticipated controversy;

Based on communications with stakeholders and their responses, the applicant expects that licensing of the Project will elicit a low level of controversy. While the licensing participants will thoroughly study and examine issues identified in the PAD, the Applicant believes requirements can be met in a timely manner and meet the requirements of the FPA.

(D) Relative costs of the TLP compared to the ILP;

The Applicant believes that the TLP would be more economical for this project than the ILP. In bypassing labor-intensive scoping and study plan development, the licensing process would proceed at significantly reduced costs and alleviate undue burden on resource agencies.

(E) The amount of available information and potential for significant disputes over studies;

The Applicant plans to collaboratively work with the agencies and stakeholders to develop appropriate study scopes to analyze identified issues. The Applicant is committed to conducting necessary studies in order to effectively evaluate the issues and anticipates no significant disputes over studies.

(F) Other factors believed by the applicant to be pertinent:

i. The Applicant has made a good faith effort to reach out to numerous state agencies and interested stakeholders to ascertain potential impacts associated with the project. Based on these efforts as well as other facts and circumstances, the Applicant believes that the default ILP would not serve the stakeholders best interests and that the TLP would instead be more appropriate, cost-effective and efficient method for proceeding.

ii. The Applicant has reached out to many agencies and tribes and is continuing to work collaboratively with all interested parties in defining the Project features in a manner most compatible with the management plans and priorities for the area.

iii. As required by FERC regulation, the Applicant is providing a copy of this request to all affected resource agencies, Indian tribes and other stakeholders likely to be interested in the proceeding, as set forth in Section 8 of the attached NOI.

The applicant respectfully submits that these considerations, as mentioned above, weigh in favor the FERC granting its request to utilize the TLP. For these reasons, the Applicant respectfully requests that the FERC authorize it to utilize the TLP in the licensing of this Project.

As provided in Section 5.3(d)(1) of the FERC's regulations, all comments on this request must be filed with the FERC within 30 days of the filing date (February 28, 2018) and must reference FERC Project No. 14861. Respondents may submit comments electronically (www.ferc.gov) or by sending an original and eight copies to the following address:

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St NE
Washington, DC 20426

Finally, as required under Section 5.3(d)(2) of the FERC's regulations, the applicant will publish the notice of this request in the appropriate newspaper and file a copy of this notice with the FERC upon publication.

Washington State has aggressive greenhouse gas reduction and clean energy goals. Oregon and California have recently passed 50 percent RPS legislation, each of which also includes targets for reducing greenhouse gas emissions that limit the types of resources that can be used to provide flexibility services. Additionally, California is considering a 100% RPS and the City of Los Angeles recently passed a 100% renewable energy resolution. Load growth and increasing RPSs will require approximately double the number of renewable energy projects that are currently on the Pacific Northwest system by the year 2035. With the California 50% RPS, it is expected that nearly 40GW of solar will be built, creating massive over-generation and negatively priced mid-day solar dump energy that can be exported and stored in the Pacific Northwest.

Integrating California in-state solar at this scale will require net load ramping flexible capacity during peak hours of use when solar falls off to ensure grid reliability and economic use of this oversupply. Intermittent renewables on the grid already have the potential to create gigawatts of overgeneration and are being curtailed due to the existing system's limited flexibility and storage. Without utility-scale storage to solve the operational challenges of integration, Washington, Oregon, and California cannot achieve carbon reduction and environmental policy goals reliably and cost-effectively. Based on economic modeling of the Project by Energy and Environmental Economics Inc. (E3), the Goldendale Energy Storage Project could save regional ratepayers hundreds of millions of dollars annually in cost savings and revenue.

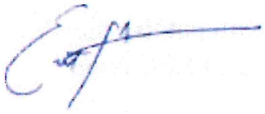
Of the viable, least-cost energy storage options available, pumped storage is the best proven, least-cost energy storage technology at scale. We are studying the idea of constructing two new sealed or "closed" reservoirs near the former Columbia Gorge Aluminum Smelter. The reservoirs would not be connected to the Columbia River and would not impact any existing aquatic environments. The project would store energy by letting water leased from Klickitat Public Utility District flow downhill through turbines during the day, producing electricity at peak times, and then being pumped back uphill at night, renewing the energy source during low use times. The project would be effectively "recharged" and the same water is reused to generate and store new energy. The process does not use consume water to recharge and has no carbon emissions, making it an environmentally responsible source of energy storage.

Rye Development

745 Atlantic Ave. 8th Floor, Boston, MA 02111

A dedicated off-river or "closed loop" pumped storage project such as the proposed Goldendale Energy Storage Project does not have the operational and environmental restrictions imposed on the conventional hydropower projects located on the Columbia River where there are often non-generation uses of the river system that are prioritized over the production of electricity. Therefore, the project can freely start, stop, reverse, and fluctuate as needed by the power system without impacting non-generation objectives such as aquatic species protection, flood control, navigation, irrigation, and recreation. In addition, the potential energy project being studied by Rye Development and National Grid would assist with the cleanup of a portion of the former Goldendale Aluminum Smelter site and create more than 3,000 jobs during construction of the facility and 100 local jobs during operation.

Sincerely,



Erik Steimle
Vice President
Portland, Oregon
erik@ryedevelopment.com