



Klamath Renewal

Presentation to Oregon PUC

May 30, 2023

Restoring the natural vitality of the Klamath River

Purpose of Today's Presentation

- Provide update on implementation of OPUC Funding Agreement DM#7810225
- Provide key project updates and review KRRC accomplishments since April 2022
- Look ahead to future activities
- Provide a high-level financial overview
- Answer Commissioner and staff questions





1 – Key Project Updates

Key Project Updates

- In November 2022, the Federal Energy Regulatory Commission (FERC) issued a License Surrender Order approving decommissioning of the Lower Klamath Project
- In December 2022, KRRC and the States of California and Oregon accepted license transfer; PacifiCorp is no longer the licensee, and KRRC now owns the Lower Klamath Project
- PacifiCorp continues to operate and maintain project facilities under contract to KRRC until a Facilities Termination date is established (expected January 4, 2024).
- In March 2023, KRRC issued a Notice to Proceed (NTP) to Kiewit to begin approved construction activities in preparation for dam removal; Kiewit has been in the field for nearly three months



Copco No. 1 Access Road Work



2 – Additional Activities & Accomplishments Since April 2022

Regulatory Processes

- ✓ Received a final License Surrender Order, including all related FERC- authorizations under the National Environmental Policy Act, Endangered Species Act, Clean Water Act, and National Historic Preservation Act
- ✓ Submitted final Management Plans, incorporating final agency feedback and License Surrender Order terms, to FERC
- ✓ Received partial authorization from FERC in March 2023 to proceed with preparatory construction activities (road and bridge improvements, installation of the Yreka water line, and site preparations)
- ✓ Ongoing coordination with local Counties regarding permitting process and compliance requirements
- ✓ Began compliance reporting for all permits and regulatory requirements



Daggett Bridge Work

Financial & Administrative Management

- ✓ Ended FY 22 within budget
- ✓ Received a clean FY 22 audit by independent CPA firm
- ✓ Submitted FY 22 990 tax forms in May 2023
- ✓ Prepared FY 24 budget, which is anticipated to be approved by the KRRC Board of Directors in June 2023
- ✓ Ongoing coordination with co-licensees and funders on project status and budget



Copco No. 1 and No. 2 Access Work

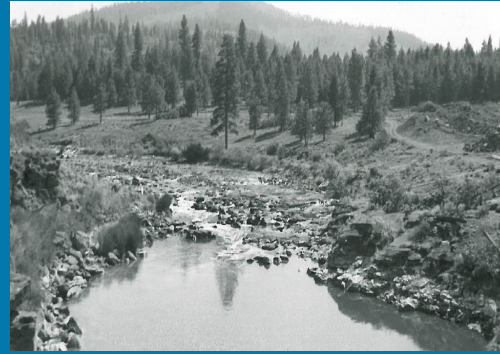
Operations & Technical Preparations

- ✓ Implementing the Operations and Maintenance Agreement with PacifiCorp for the operation of the Lower Klamath Project until final reservoir drawdowns begin
- ✓ Executed a Fall Creek Hatchery agreement with California and PacifiCorp, with the Karuk and Yurok Tribes as concurring parties; PacifiCorp is managing construction of the Fall Creek Hatchery
- ✓ Submitted Owners Dam Safety Program to FERC in December 2022
- ✓ Submitted final construction documents to FERC, the independent Board of Consultants (BOC), and the California Division of Safety of Dams (DSOD) in January 2023
- ✓ Received pre-drawdown construction activities approval for Iron Gate and Copco No. 1 and No. 2 dams from DSOD in April 2023
- ✓ Kiewit began approved preparatory construction work including road and bridge improvements, installation of the Yreka water line, and other site preparations
- ✓ Submitted final BOC comments on the hydraulics and hydrology design, including KRRC responses, in May 2023

Stakeholder & Community Engagement

- ✓ Hired a Public Information Officer who will be responsible for ensuring timely distribution of project information to local communities
- ✓ Continued meetings of the Tribal Participation Working Group and in-basin meetings with Kiewit to further engage the Tribal workforce and inform direct hire and subcontracting opportunities
- ✓ Continued coordination with recreators and Tribes to advance recreation site design
- ✓ Hired Fund Administrators to implement the Klamath Mitigation Fund

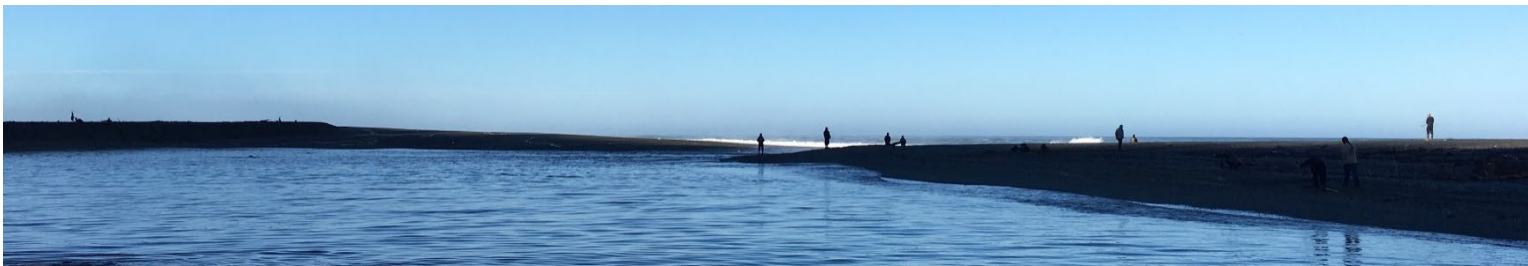




3 – Next Steps & Anticipated Milestones

Next Steps and Anticipated Milestones

- Following FERC approval for drawdown and deconstruction, begin dam modifications work and removal of Copco No. 2 dam in summer 2023
- Receive remaining County and local permits (signage, septic, etc.) in summer 2023
- Finalize recreation site design and work to secure new grant and private funding to allow for recreation site construction during the project
- Begin final reservoir drawdowns in January 2024
- Dam removal to be complete by end of 2024; restoration activities to continue throughout the term of the License Surrender Order
- Continue all compliance reporting to agencies





4 – Financial Overview

Projected Sources for Expected Project Costs

As of January 31, 2023

Projected Sources	
OPUC Disbursement*	\$188,800,000
CPUC Disbursement	\$14,106,000
Proposition 1 Bond Funds	\$249,500,000
KRRC Earned Interest (Projected)	\$3,000,000
MOA Contingency Funding	\$45,000,000
Hatchery Repayment	\$2,571,000
DSOD Reimbursement (Projected)	\$188,000
	\$503,165,000

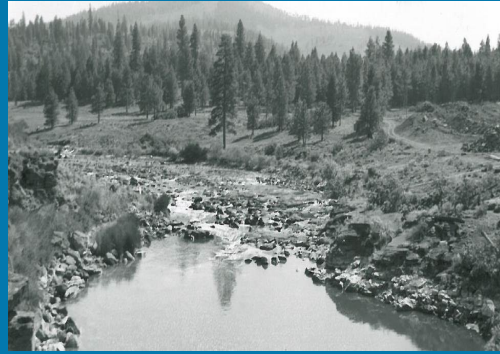
*OPUC Disbursement includes current estimate of accrued interest.

OPUC Expenses through January 2023

Phase	Key Activities	Dates	Total Project Budget (\$502.6M)	OPUC Projected Costs (\$188.8M)
1	Start Up (completed) <ul style="list-style-type: none"> Board appointments Set up legal, technical, and administrative operations Hire CEO 	Jul 2016 through Jun 2017	\$3.9M spent	\$3.1M spent
2	Mobilize (completed) <ul style="list-style-type: none"> Complete Definite Plan Complete regulatory filings Hire staff Risk management plan Prepare procurement documents Engage contractor Design Establish GMP 	Jul 2017 through Feb 2023	\$113.9M spent as of Jan'23 (\$118.1M budget)	\$98.6M spent
3	Deconstruction/Facilities Removal (in progress) <ul style="list-style-type: none"> Remove dams Restore native habitat Adaptive management Monitoring and reporting 	Mar 2023 and beyond	\$380.6M budget	\$0 spent (\$87.1 projected)

Notes:

1. This schedule and budget assume reservoir drawdown in 2024
2. Budget assumes use of MOA contingency funds from California, Oregon and PacifiCorp as well as use of OPUC accrued interest and other unrestricted funds KRRC has raised.
3. Phase 3 includes over \$19.9M in contingency which is based on P80 industry standard



5 – Questions



Credit: Ecoflight

Thank you!