



# Klamath Renewal

Presentation to Oregon PUC

January 26, 2021

*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 update and review KRRC accomplishments since September 2020
- Review anticipated project timeline and look ahead to future activities
- Provide a high-level financial overview
- Answer Commissioner and staff questions





# 1 – Key Project Update

# Key Project Update

## Memorandum of Agreement (MOA)

- Signed by PacifiCorp, CA and OR Governors, Karuk and Yurok Tribes, and KRRC (November 17, 2020)
- Aligns FERC's July 16, 2020 Partial Transfer Order and the Klamath Hydroelectric Settlement Agreement (KHSA) allowing for continued implementation of the settlement
- Basis for filing Amended License Surrender Application (November 17, 2020) and new Joint License Transfer Application (January 13, 2021)





## 2 – Activities & Accomplishments Since September 2020



# Regulatory Processes

- ✓ **Amended License Surrender Application (ALSA).** FERC noticed for comment and intervention (December 2020). Environmental review expected to begin shortly.
- ✓ **Potential Failure Modes Analysis (PFMA).** FERC, independent Board of Consultants (BOC), CA Division of Safety of Dams, and PacifiCorp participated in workshop as part of dam safety review process (December 2020)
- ✓ **Ongoing BOC engagement.** Provides peer review of information in ALSA
- ✓ **Joint Application for Approval of License Transfer.** Filed by PacifiCorp, California, and Oregon (January 2021). Provides for States and KRRC to be co-licensees for purpose of license surrender.



# Regulatory Processes

- ✓ **Memorandum of Understanding (MOU) with CA.** Signed to address aquatic and terrestrial resources (September 2020)
- ✓ **Property Transfer Agreement between PacifiCorp and KRRC.** Signed (January 2021); now filed with Property Transfer Applications before four PUCs (January 2021)
- ✓ **Biological Assessment under Endangered Species Act.** Continued informal consultation with US Fish & Wildlife Service/National Marine Fisheries Service; upcoming formal submission to FERC
- ✓ **Submittal of 90% design specifications to CA Division of Safety of Dams (DSOD)**
- ✓ **Management Plans.** Will be submitted to FERC in February 2021 to implement Definite Decommissioning Plan



# Financial & Administrative Management

- ✓ Ended FY 20 within budget
- ✓ Clean FY 20 audit by independent CPA firm
- ✓ Continued improved efficiencies by bringing outsourced work in-house
- ✓ 2019 OPUC audit in process





# Operations & Technical Preparations

- ✓ Continued to advance Project Design
  - Kiewit submitted 90% design documents
  - Kiewit submitted Guaranteed Maximum Price (GMP) based on 90% design
  - Coordination with Agencies to support review of design
- ✓ Advanced Fall Creek Hatchery design and submitted 90% design documents to CA Department of Fish and Wildlife (CDFW)
- ✓ Advanced City of Yreka waterline replacement design
  - Yreka City Council approved KRRC's preferred alternative for the City's waterline relocation
- ✓ Completed Environmental Site Assessment for project and Parcel B lands to understand potential liabilities associated with hazardous materials that exist onsite

# Stakeholder & Community Engagement

- ✓ Continued virtual or socially-distanced outreach and engagement throughout COVID—19
- ✓ Ongoing participation in events with tribal nations, agricultural and conservation groups
- ✓ Provided project updates to elected officials, as requested
- ✓ Coordinated with local Chambers of Commerce and Economic Development agencies to promote job opportunities
- ✓ Advanced discussions with local counties regarding Memoranda of Understanding for project impacts
- ✓ Responded to property owner inquiries
- ✓ Met with recreation groups and businesses about project impacts and potential recreation opportunities
- ✓ Messaged project benefits through website, newsletters, local press and social media



Met with Salmonid Restoration Federation



# 3 – Anticipated Timeline & Next Steps



# Anticipated Timeline

- The MOA and ALSA anticipate reservoir drawdown will begin in January 2023, with required pre-drawdown construction work beginning in summer 2022
- FERC issued notice of license surrender proceeding in December 2020
- FERC will next issue notice of environmental review under the National Environmental Policy Act (NEPA)
- PacifiCorp and KRRC have requested final decision on license surrender and license transfer by April 2022



# Next Steps in 2021

- Submit supplemental Surrender Application information to FERC on February 26, 2021
- Submit Biological Assessment to FERC
- NEPA scoping and initiate formal consultations (FERC)
- Complete Phase II Cultural Resource surveys
- Ongoing technical and dam safety reviews with CA DSOD and FERC
- Property Transfer Agreement Approval (PUCs)





# 4 – Financial Overview



# Projected Sources for Expected Project Costs

As of November 30, 2020

Projected Sources	
OPUC Disbursement	\$191,065,000
CPUC Disbursement	\$14,105,000
Prop 1 Bond Funds	\$249,500,000
KRRC Earned Interest	\$1,280,000
KRRC Unrestricted Funding	\$130,000
<b>Total</b>	<b>\$456,080,000</b>

# OPUC Expenses through November 2020

Phase	Key Activities	Dates	Total Costs	OPUC Costs
1	Start Up (completed) <ul style="list-style-type: none"> <li>Board appointments</li> <li>Set up legal, technical, and administrative operations</li> <li>Hired CEO</li> </ul>	Jul 2016 through Jun 2017	\$3.9M spent	\$3.1M spent
2	Mobilize (in progress) <ul style="list-style-type: none"> <li>Complete Definite Plan</li> <li>Complete regulatory filings</li> <li>Hire staff</li> <li>Risk management plan</li> <li>Prepare procurement documents</li> <li>Engage contractor</li> <li>Design</li> <li>Establish GMP</li> </ul>	Jul 2017 through Jun 2022	\$80.7M spent (\$143.1M budget)	\$73.6M spent (\$131.6M projected)
3	Deconstruction/Facilities Removal (not started) <ul style="list-style-type: none"> <li>Remove dams</li> <li>Restore native habitat</li> <li>Adaptive management</li> <li>Monitoring and reporting</li> </ul>	Jul 2022 and beyond	\$309.1M budget	\$0 spent (\$56.4M projected)

Notes:

1. This schedule and budget assume a reservoir drawdown in 2023; once more details are known regarding the FERC process, the schedule and budget will be updated accordingly.
2. OPUC budget assumes use of exiting collections and accrued interest.
3. Current budget includes over \$35M in contingency; final contingency will be established based on P80 industry standard.



# 5 – Questions





*Credit: Ecoflight*

# Thank you!