

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 219

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Klamath River Renewal Corporation
Presentation.

**NOTICE OF
SPECIAL PUBLIC MEETING**

The Public Utility Commission of Oregon Special Public Meeting in these proceedings, as follows:

DATE: September 8, 2020

TIME: 10:00 a.m.

LOCATION: VIA ZOOM

Click on Link:

<https://zoom.us/j/96246226126?pwd=V1RTMENYU0t4SWFKMmdUbFJyM0JEQT09#success>

Please see the attached agenda for Staff contact information. If you have questions, please contact the Administrative Hearings Division by telephone (503-378-6678) or by e-mail (puc.hearings@state.or.us).

Dated this 2nd day of September, 2020, at Salem, Oregon.

Megan W. Decker

Letha Tawney

Mark R. Thompson

Chair

Commissioner

Commissioner

**IF YOU HAVE A DISABILITY AND NEED ACCOMMODATION TO
PARTICIPATE IN THIS EVENT, PLEASE LET US KNOW
(503) 378-6678, Oregon Relay Service: 7-1-1, or e-mail puc.hearings@state.or.us**



Special Public Meeting Notice & Agenda

September 8, 2020

10:00 a.m.

ZOOM Webinar Conference

Dial In: 1-312-626-6799

Passcode: 96246226126#

[Link to Meeting](#)

Special Public Meeting Information Only **UE 219 Klamath River Renewal Corporation Presentation**

Agenda

RA1. PACIFIC POWER:

Docket No. UE 219 – *Informational Only (invited testimony only)*
Presentations from State of Oregon and Klamath River Renewal Corporation; PacifiCorp to be available for Commissioner questions.

Staff contact: Michael Dougherty, 971-273-9201

michael.dougherty@state.or.us



Klamath Renewal

Presentation to Oregon PUC

September 08, 2020

Restoring the natural vitality of the Klamath River



Purpose of Today's Presentation

- Provide update on implementation of OPUC Funding Agreement DM#7810225
- Provide a high-level financial overview
- Review KRRC accomplishments since May 2019
- Look ahead to future activities
- Answer Commissioner and staff questions





1 – Financial Overview

Project Funds Available

- **PacifiCorp customer funds via PUC funding agreements**
 - Oregon: \$184M
 - California: \$16M
- **California Prop. 1 Bond Funds**
 - Up to \$250M

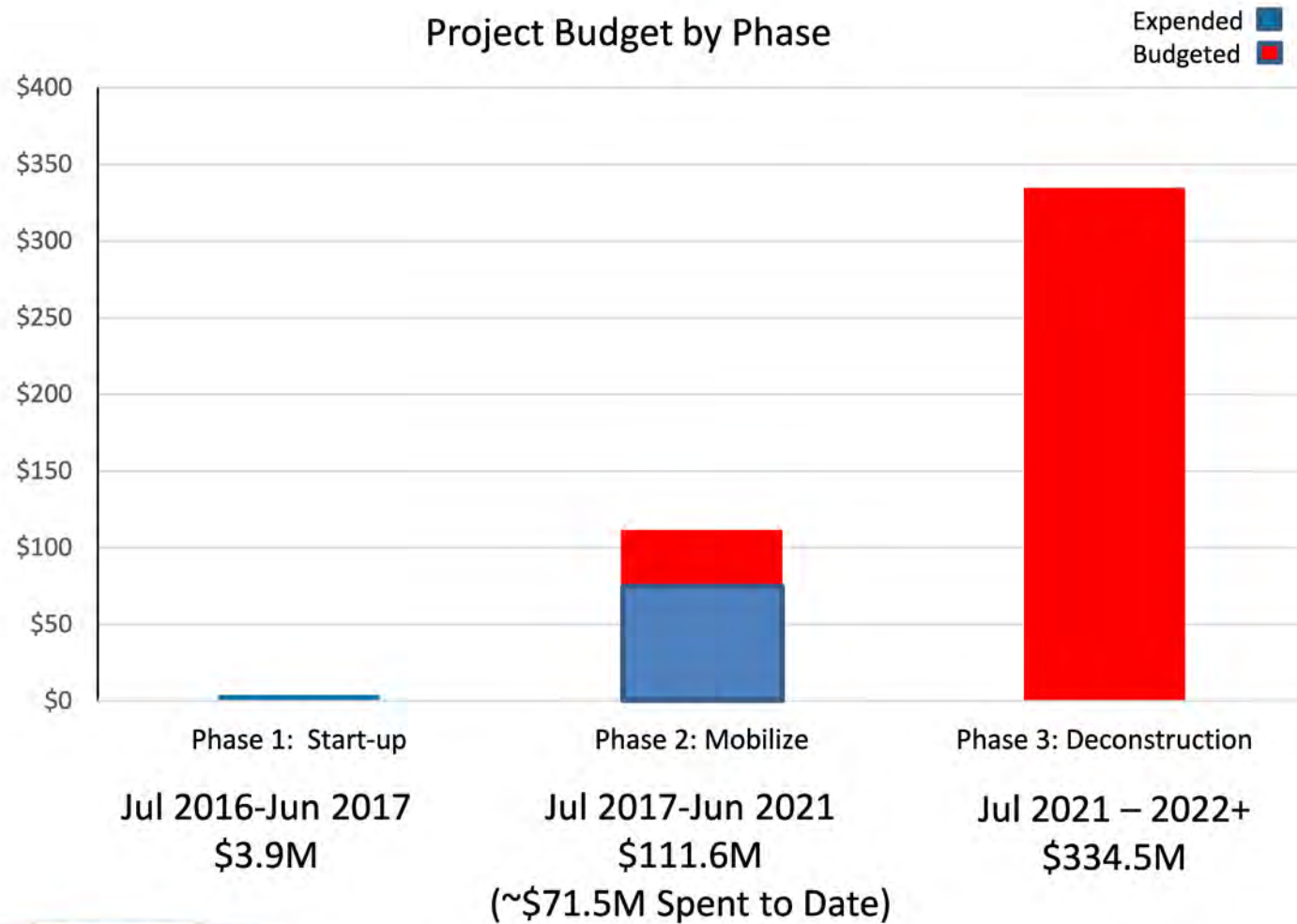


Projected OPUC Expenses through Jun '20*

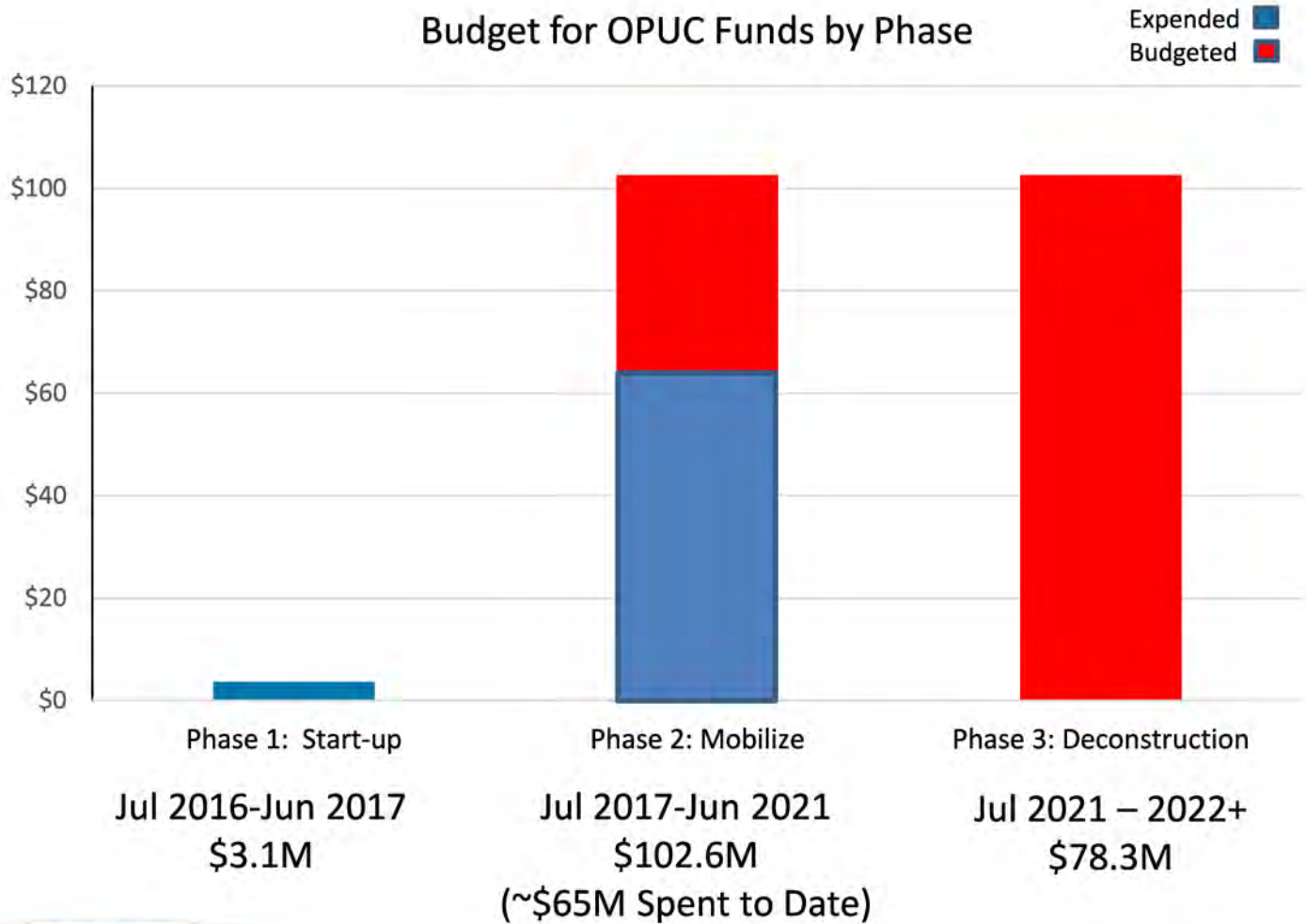
Phase	Key Activities	Dates	Total Costs	OPUC Costs
1	Start Up (completed) <ul style="list-style-type: none"> Board appointments Set up legal, technical, and administrative operations Hired CEO 	Jul 2016 through Jun 2017	\$3.9M spent	\$3.1M spent
2	Mobilize (in progress) <ul style="list-style-type: none"> Complete Definite Plan Complete regulatory filings Hire staff Risk management plan Prepare procurement documents Engage contractor Design Establish GMP 	Jul 2017 through Jun 2021	\$71.5M spent (\$111.6 M budget)	\$65M spent (\$102.6 M budget)
3	Deconstruction/Facilities Removal (not started) <ul style="list-style-type: none"> Remove dams Restore native habitat Adaptive management Monitoring and reporting 	Jul 2021 and beyond	\$334.5M budget	\$78.3M budget
Total Budget			\$450M	\$184M

*This schedule and budget assume a reservoir drawdown in 2022. The team is currently discussing next steps in response to the July 2020 FERC order; once more details are known, the schedule and budget will be updated accordingly.

Expected Allocation of \$450M Project Costs



Expected Allocation of OPUC's \$184M





2 – FY20 Activities and Accomplishments

Financial & Administrative Management

- ✓ Clean FY 19 audit by independent CPA firm; dates set for FY 20 audit
- ✓ Completed clean calendar year 2018 audit with OPUC
- ✓ Improved efficiencies by bringing outsourced work in-house
- ✓ Secured Board approval of FY21 Budget
- ✓ Risk review (e.g., cyber security, insurance)



Operations & Technical Preparations

- ✓ **Engaged McMillen Jacobs as Owners Representative**
 - Issued Request for Proposals (RFP) to five qualified firms
 - Selected McMillen Jacobs to manage the progressive design-build and restoration contracts
 - McMillen Jacobs brings extensive relevant experience having previously designed and/or constructed similar elements of this project

- ✓ **Negotiated GMPs with Kiewit (progressive design build contractor) and RES (restoration contractor)**

- ✓ **Developed comprehensive insurance approach to project and submitted information to FERC**

- ✓ **Performed Monte Carlo analysis based on updated information to inform contingency levels**

- ✓ **Completed Definite Decommissioning Plan**
 - Completed Plan as basis for regulatory approvals and design-build contract
 - Detailed methods for implementation, including deconstruction, restoration, mitigation, and risk management based on 60% design specification documents

Stakeholder & Community Engagement

- ✓ 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 states and 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



Klamath Lake Land Trust Meeting

Regulatory Processes

Federal Energy Regulatory Commission (FERC)

- ✓ Submitted refined cost estimate, insurance & indemnification information, and “Plan B” information (July 2019)
- ✓ Submitted the Guaranteed Maximum Price (GMP) (February 2020)
- ✓ Submitted updated Monte Carlo analysis and risk assessment (June 2020)
- ✓ Ongoing engagement of Board of Consultants (BOC) to provide peer review of information; responded to BOC’s Supplemental Report #1 and Report #2 on KRRC’s capacity
- ✓ Received final FERC License Transfer Order partially transferring the Lower Klamath Project from PacifiCorp to KRRC



Regulatory Processes

CA Water Board

- ✓ Received final Clean Water Act Sec. 401 Water Quality Certification
- ✓ Received final Environmental Impact Report

U.S. Army Corps of Engineers

- ✓ Submitted application for dredge-and-fill permit under Clean Water Act Sec. 404

Other Regulatory Items

- ✓ Advanced Property Transfer Agreement between PacifiCorp and KRRC
- ✓ Prepared draft Biological Assessment (BA) for submission to US Fish & Wildlife Service/National Marine Fisheries Service
- ✓ Submitted dam alteration & modification application to CA Dept of Safety of Dams (DSOD)
- ✓ Finalized Fire Management Plan
- ✓ Advanced Recreation Plan
- ✓ Continued informal consultations



4 – Next Steps

Next Steps

- Continue to support Principals to address issues associated with FERCs Transfer Order
- Contractors to submit 90% design specifications for dam removal, restoration, Yreka water line replacement, and hatchery; technical and dam safety reviews with CA DSOD and FERC
- Finalize Memoranda of Understanding with state agencies and local Counties
- Submit final Biological Assessment (BA) to FERC
- Submit Property Transfer Agreement to PUCs
- Hire a Local Impact Mitigation Fund Administrator (pending action by FERC)
- Complete annual audit
- Ongoing regulatory processes & stakeholder outreach





5 – Questions



Credit: Ecoflight

Thank you!