

Notes from Conference Call regarding Project Licensing & Kinnickinnic River Planning
River Falls Hydroelectric Project | P-10489
January 30, 2015

Participants: Dan Helsel, Wisconsin Department of Natural Resources
Randy Thoreson, U.S. National Park Service
Nick Utrup, U.S. Fish and Wildlife Service
Scot Simpson, City of River Falls
Ray French, City of River Falls

Review of Process and City Council Action

Scot and Ray reviewed the City's process and steps since the comments and study requests were due on May 23, 2014. Conversations continued over the summer with local stakeholders on their environmental concerns for the project and alternatives to relicensing. The City also conducted a preliminary financial analysis of operations from over the course of the license. In light of that analysis, the City hired Rita Hayen from TRC to continue with a licensing alternatives analysis with related cost estimates.

The results of the licensing analysis and costs were presented to the City Council and Utility Advisory Board on December 9, 2014. Following a second workshop, the Council adopted two resolutions on the matter on January 13, 2015. The resolutions, consistent with their adopted 2015 Strategic Plan, endorse the Kinnickinnic River Corridor Planning Strategy & Timeline (provided prior to the call) and direct staff to pursue a license extension. They also adopted additional hydro maintenance expenditure review, and established annual reporting requirements for the hydroelectric operations revenues, which are to be set aside for future projects.

The Corridor Plan was endorsed by the City Council in order to take a step back from licensing to develop a plan for the whole river within the City's boundaries. It recognizes the need for comprehensive community input and to retain flexibility for future decision making.

FERC Process Concerns

Randy said that as a community, River Falls has come a long way in this process and is moving forward. He pointed out that the City has to follow the FERC process steps. He is concerned that they haven't heard back from the City on study requests. Requesting an extension alone without addressing the study requests won't cut it. Randy said he would like more communication on process.

Scot said that the City hasn't missed any deadlines, and that all of the steps the City has taken have been public and part of the City's process.

Nick brought up the selection of processes that occurred in the beginning of relicensing. He also indicated they would have expected to see a scoping document by now. Nick said that some of the community's questions could have been answered better in the Integrated Licensing Process and through a scoping document.

Scot emphasized the City isn't a typical licensee like an investor-owned utility. The City is in a unique position to evaluate whether hydropower is right for the community instead of this being just a business decision. He stated that all actions the City has taken are public and the questions are public questions too. The City isn't just staff; it is the community at large.

Nick clarified that in the ILP, an alternatives analysis is incorporated into pre-planning. Effectively, the City is infusing the ILP into the TLP. He referenced the Menomonie River settlement agreement. The stakeholders agreed on a process that was a good path forward. Randy continued with more discussion on the two processes.

Scot indicated that more detail on the process could be provided and that the City wants to find a way to get to a decision. They are asking the resource agencies for their thoughts on the strategy.

Discussion of Draft Kinnickinnic River Corridor Strategy

Discussion continued into the draft Kinnickinnic River Corridor Planning Process. Nick identified two basic approaches to the process: business and environmental. Scot said that this process reflects that the community is not ready for a decision in the short term and that it gives the City a chance to determine what the decision is.

Randy added that what has been missing from the process so far is an education on what dam removal involves. The corridor plan is a good vehicle for that education. Randy offered his expertise to serve as a technical advisor in the corridor planning.

Scot indicated that the draft strategy gives the community a chance to make a decision on the dams. The City would also incorporate many of the study requests into the corridor plan. More information is needed.

Nick agreed that this is more complex than a typical project. He thought it would be helpful for the City to lay out two alternative processes/timelines – one with relicensing and one with dam removal/surrender. That would lead to a better understanding of what the City is proposing.

Randy suggested the City should find out from FERC if they have a problem with this proposal. Ray said that conversations have continued with FERC. Scot said that the City needs an extension in order to make the best decision for the community.

Nick said that the City needs to spell out the process better so that they could support the extension request. Nick also clarified that the studies completed as part of the corridor plan would be outside the FERC process. Any future FERC studies would take precedence over the corridor plan studies.

Dan said he appreciates the City taking a step back to think about the waterway. He thinks that this is better than following a process that leads to a bad decision.

Next Steps

Scot said that the City would (1) expand the draft strategy document to provide more information on when the decision point occurs and how that determines the next steps related to the license.

The revised strategy document would honor the FERC process requirements while also setting a realistic timeframe. The City will then (2) circulate the extension request for comment with a follow-up opportunity for stakeholders to comment.

There was further discussion on how to incorporate the study requests into the planning process and answer the community's questions.

Lastly, there was agreement on the next steps among the participants with a request to review the updated process prior to the follow-up conversation. Communication is expected in about two weeks.