

157 FERC ¶ 62,039
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Sacramento Municipal Utility District

Project No. 2101-127

ORDER REMOVING AUTHORIZATION TO BUILD THE IOWA HILL PUMPED
STORAGE DEVELOPMENT, AMENDING LICENSE
AND REVISING ANNUAL CHARGES

(Issued October 14, 2016)

1. On May 25, 2016, the Sacramento Municipal Utility District (licensee) filed an application to remove the authorization to construct the Iowa Hill Pumped Storage Development and its associated license articles and other provisions from the license for the Upper American River Project No. 2101.¹ The Upper American River Project has eight developments located on the Rubicon River, Silver Creek, and South Fork American River in El Dorado and Sacramento counties, California. The project occupies, in part, federal lands within the Eldorado National Forest managed by the U.S. Forest Service (Forest Service) and federal lands administered by the U.S. Bureau of Land Management.

Background

2. In its application to relicense the project, the licensee proposed a new, off-stream pumped storage development that would use the existing Slab Creek Reservoir as the lower reservoir and a new upper reservoir to be constructed atop an adjacent hillside. The Iowa Hill Pumped Storage Development would occupy 185 acres of federal land within the Eldorado National Forest. As part of the settlement agreement for the project, the parties agreed on a stand-alone set of proposed license articles that would take effect only if the Commission approved the development and the licensee subsequently decided to build it. In addition, the Settlement Agreement parties agreed to support any application from the licensee to remove authorization for the development and to remove any license conditions specific to the development, should the licensee choose not to build this development.

Amendment Application

3. The licensee has decided not to build the Iowa Hill Pumped Storage Development saying it's unlikely the licensee would need significant portions of the development's

¹ *Sacramento Municipal Utility District*. 148 FERC ¶ 62,070 (2014).

capacity and the estimated cost of construction is much higher than previously expected. The licensee wants to remove its authorization from the license.

4. In addition, the licensee is requesting that the license provisions solely related to the Iowa Hill Development be deleted from the license. These changes include deleting language referencing the Iowa Hill Development in ordering paragraph (B)(2); deleting Exhibit G-036 (Proposed Iowa Hill Development – Project Boundary); deleting license articles 301 through 307 and 309 through 310 (pre-construction requirements); modifying articles 308 and 401; and deleting articles 407 (transportation management plan) and 409 (wildlife lands mitigation plan).

Consultation and Public Notice

5. On April 12, 2016, the licensee sent a draft of its amendment application to the Settlement Agreement parties² and the California State Water Resources Control Board (California SWRCB). No comments were received.

6. The Commission issued a public notice of the proposed action on August 25, 2016 with a closing date for comments of September 25, 2016. On September 21, 2016 a multi-party Motion to Intervene was filed in support of removing authorization for the development from the project license. Intervenors included the American Rivers Recreation Association, American Whitewater, California Outdoors, California Sportfishing Protection Alliance, Friends of the River, Hilde Schweitzer, and Theresa Simsiman. In a letter dated September 26, 2016, the U.S. Department of the Interior stated that it had no comments on the proposed action.

Discussion and Conclusion

7. The possibility that the licensee may not build the Iowa Hill Pumped Storage Development was contemplated during licensing. Many of the license conditions relating to the development were written in a manner so they could be easily removed or would not be triggered if the development was not built. Appendix A to the license includes conditions in the project's Water Quality Certificate (WQC) issued by the California SWRCB and Appendix B includes the 4(e) conditions issued by the Forest Service. The WQC and 4(e) conditions were written so that they would only be triggered if the Iowa

² The Settlement Agreement parties are: Pacific Gas and Electric Company, California Department of Fish and Wildlife, California Department of Parks and Recreation, Forest Service, Bureau of Land Management, National Park Service, American River Recreation Association & Camp Lotus, California Outdoors, California Sportfishing Protection Alliance, Friends of the River, American Whitewater, Foothill Conservancy, Theresa Simsiman, Hilde Schweitzer, and Rich Platt.

Hill Development was constructed; therefore, none of these conditions require modification.

8. The licensee has decided not to build the Iowa Hill Pumped Storage Development for economic and other reasons and has applied to remove its authorization from the license. This action would not result in any physical or operational changes to the project as currently constructed and is not opposed by any party. Therefore, the licensee's application should be approved and the license modified accordingly. The license articles that require modification or removal are addressed in ordering paragraphs (B) through (I) below. However, Article 310 will remain under the license as it pertains to the whole project rather than to the Iowa Hill Pump Storage Development.

The Director orders:

(A) The Sacramento Municipal Utility District's request to delete the authorization to construct the Iowa Hill Pumped Storage Development and its associated license articles and other provisions from the license for the Upper American River Project filed May 25, 2016, is approved, as provided in this order.

(B) Ordering paragraph (B)(2) of the license is amended, in part, by deleting the description of the Iowa Hill Pumped Storage Development from the project works section, revising the reference to Exhibit A, and deleting the relevant Exhibit F drawings, as follows:

(2) The project works consisting of seven developments: Loon Lake, Robbs Peak, Jones Fork, Union Valley, Jaybird, Camino, and Slab Creek/White Rock.

Exhibit A. The reference to Exhibit A is amended, in part, by revising the reference to the sections of Exhibit A to "Page A-7 to Page A-53..."

Exhibit F. The reference to Exhibit F is amended, in part, by deleting the heading "Iowa Hill" and all references to Exhibit F drawings F-160 through F-165.

(C) The annual charges under license article 201 is revised to read as follows:

Article 201. *Annual Charges.* The licensee shall pay the United States annual charges, effective as of the first day of the month in which the license is issued, and as determined from time to time in accordance with provisions of the Commission's regulations, for the purpose of:

(1) Reimbursing the United States for the cost of administering Part I of the Federal Power Act. The authorized installed capacity for that purpose is 637,683 kilowatts.

(2) Recompensing the United States for the use, occupancy, and enjoyment of its lands based on the final statement of federal land occupied by the project as required by Article 203.

(D) The following license articles containing pre-construction requirements for the Iowa Hills Pumped Storage Development are deleted: Articles 301 through 307 and Article 309.

(E) Article 308 is amended to read:

Article 308: As-Built Drawings. Within 90 days of completion of construction activities authorized by this license, including construction of any trails required by the trails system management plan (4(e) condition 57), the licensee must file with the Commission for approval, revised Exhibits A, F, and G, as applicable, to describe and show those project facilities as built. Copies must also be filed with the Commission's Division of Dam Safety and Inspections (D2SI), San Francisco Regional Office; the Director, D2SI; and the Director, Division of Hydropower Administration and Compliance.

(F) The following plans required to be filed for Commission approval under Article 401 are deleted: Methods for Hardhead Monitoring in Slab Creek Reservoir, Methods and Locations for Monitoring Edgewater Temperature Conditions in Slab Creek Reservoir, Plans and Simulated Views of Iowa Hill Development, Iowa Hill Construction Noise Mitigation Plan, and Recreation Access Plan for Slab Creek Reservoir.

(G) The due date for the Whitewater Boating Recreation Plan for the South Fork American River below Slab Creek Dam required by Article 401 is changed to "At the end of year 5."

(H) The following articles requiring a transportation management plan and a wildlife lands mitigation plan for the Iowa Hills Pumped Storage Development are deleted: Article 407 and Article 409.

(I) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 8251 (2012), and the Commission's regulations at 18 C.F.R. § 385.713 (2016). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

/for/ Steve Hocking, Chief
Environmental and Project Review Branch
Division of Hydropower Administration
and Compliance

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