

Water Agency Builds Stakeholder Relationships to Streamline FERC Relicensing

As Placer County Water Agency's (PCWA's) 50-year Federal Energy Regulatory Commission (FERC) license to operate Middle Fork American River Project hydroelectric facilities nears its expiration in March 2013, no time has been wasted in moving forward with the relicensing process.

"You've got a heck of a lot of money at risk in a license application and we laid out a program that would get us ahead of the curve," said Einar Maisch, PCWA's director for strategic affairs, noting that the project, completed in 1966, generates 1 million megawatt hours on average each year.

Instead of waiting to file what is known as the preapplication document, or PAD, five years before license expiration, PCWA thought proactively and began engaging stakeholders more than two years prior to submitting this initial document. While the PAD generally serves as the basis for negotiations with interest groups, PCWA believed starting the process early would ultimately allow it to streamline its efforts and minimize unforeseen costs.

"We made a conscious decision to engage our stakeholders long before beginning the formal relicensing process with FERC," said Dave Breninger, PCWA's general manager. "We simply could not afford unexpected delays when dealing with our stakeholders and knew proactively engaging them would promote cooperation on both sides."

While PCWA budgeted \$30 million for the relicensing process, operators of comparable projects have nearly doubled that cost when unexpected setbacks in stakeholder outreach emerged. "Our observation was those companies that didn't invest in doing it up front had to pay more to do it later," said Maisch.

As a result of its extensive engagement with various stakeholders before the formal licensing process began, when PCWA ultimately submitted its PAD it included a list of study plans already agreed to by all parties involved. "You need to be collaborative," Breninger said. "Some of our neighbors completing relicensing have ended up in adversarial relationships with their stakeholders, and we did not want that to be the story of our relicensing process."

Maisch indicated it was important that PCWA viewed its measure of success as getting all stakeholders to agree to the study plan, even if it differed from an initial straw man proposal. While the agency provided guidance regarding the reasons its plan would meet all stakeholder needs, the ultimate recommendations included with PCWA's submission to FERC were the result of a collective process.

"The first edition is always the hardest; it helped people focus on what the objectives were," Maisch said. "Success was measured on whether or not we could get everybody on the plan."

PCWA submitted its draft license application on September 28, 2010, and its formal application for a new, 50-year license on February 23, 2011. FERC is reviewing the application to make a determination as to whether it is complete and will then issue a ready for environmental analysis notice.

In the remaining two years before license expiration in March 2013, FERC will issue a draft and final environmental impact statement or environmental assessment. The final license will ultimately include terms and conditions from mandatory resource agencies, including Clean Water Act Section 401 certification.

For more information on the Placer County Water Agency's relicensing process for Middle Fork American River Project, visit its website at <http://www.relicensing.pcwa.net>.

