

COVER SHEET

FEDERAL ENERGY REGULATORY COMMISSION

DRAFT ENVIRONMENTAL IMPACT STATEMENT
FOR THE HELLS CANYON PROJECT

Docket No. P-1971-079

Section 1

Purpose of Action and Need for Power

Pages 1 through 6

DEIS

1.0 PURPOSE OF ACTION AND NEED FOR POWER

On July 21, 2003, Idaho Power Company (Idaho Power or Applicant) filed an application for license with the Federal Energy Regulatory Commission (Commission or FERC) for a new license for the Hells Canyon Project,⁸ FERC Project No. 1971, located on the Snake River in Washington and Adams counties, Idaho, and Wallowa and Baker counties, Oregon (figure 1). The current license expired on July 31, 2005, and the project is operating under an annual license.

The Hells Canyon Project consists of three developments (dams, reservoirs, and powerhouses) on the segment of the Snake River forming the border between Idaho and Oregon. The three developments are Brownlee, Oxbow, and Hells Canyon, which, combined, provide 1,167 megawatts (MW) of power generating capacity and 6,562,244 megawatt hours (MWh) of electricity annually. Federal lands within the current Hells Canyon Project boundary equal approximately 5,640 acres, including land managed by the U.S. Bureau of Land Management (BLM) and the U.S. Forest Service (Forest Service).

1.1 PURPOSE OF ACTION

The Commission must decide whether to relicense the Hells Canyon Project and, if so, what conditions should be placed on any license issued. In deciding whether to authorize the continued operation of the hydroelectric project and related facilities in compliance with the Federal Power Act (FPA) and other applicable laws, the Commission must determine that the project will be best adapted to a comprehensive plan for improving or developing a waterway. In addition to the power and developmental purposes for which licenses are issued (e.g., flood control, irrigation, and water supply), the Commission must give equal consideration to the purposes of energy conservation; the protection of, mitigation of damage to, and enhancement of fish and wildlife (including related spawning grounds and habitat); the protection of recreational opportunities; and the preservation of other aspects of environmental quality.

In this draft environmental impact statement (draft EIS), we, the Commission staff, assess the environmental and economic effects of: (1) continuing to operate the project as it is currently operated (No-action Alternative); (2) operating the project as proposed by Idaho Power (Idaho Power's Proposal); and (3) operating the project as proposed by Idaho Power with additional or modified environmental measures (Staff Alternative). We also consider federal takeover, issuance of a nonpower license, and project retirement options.

Briefly, the principal issues addressed in the draft EIS include: (1) the effects of project operations on the erosion of sand from riverine beaches and terraces and the transport of spawning gravels from the riverbed downstream of Hells Canyon dam; (2) the effects of project operations on reservoir and downstream water quality parameters important to fish and wildlife; (3) the effects of project operations on downstream river navigation; (4) the feasibility of restoring runs of anadromous fish, including Pacific lamprey, to areas upstream of the project; (5) the effects of water level fluctuations within and downstream of the project on aquatic habitat and tributary access for native salmonids; (6) protection and enhancement of wildlife habitat; (7) potential effects on threatened and endangered species; (8) the adequacy of recreational facilities to meet expected demand over the term of a new license; (9) the effects of project operations and potential enhancements on historic and archaeological sites, Native American rock art, traditional cultural properties (TCPs), and historic buildings and structures; (10) the cumulative effects of continued Hells Canyon Project operation in the context of past, present, and reasonably foreseeable water resource development elsewhere in the Snake River Basin; and (11) the effects of potential operational changes and the funding of various enhancement measures on the project's electric power output and cost of project power.

⁸ Referred to in Idaho Power's application as the Hells Canyon Complex.

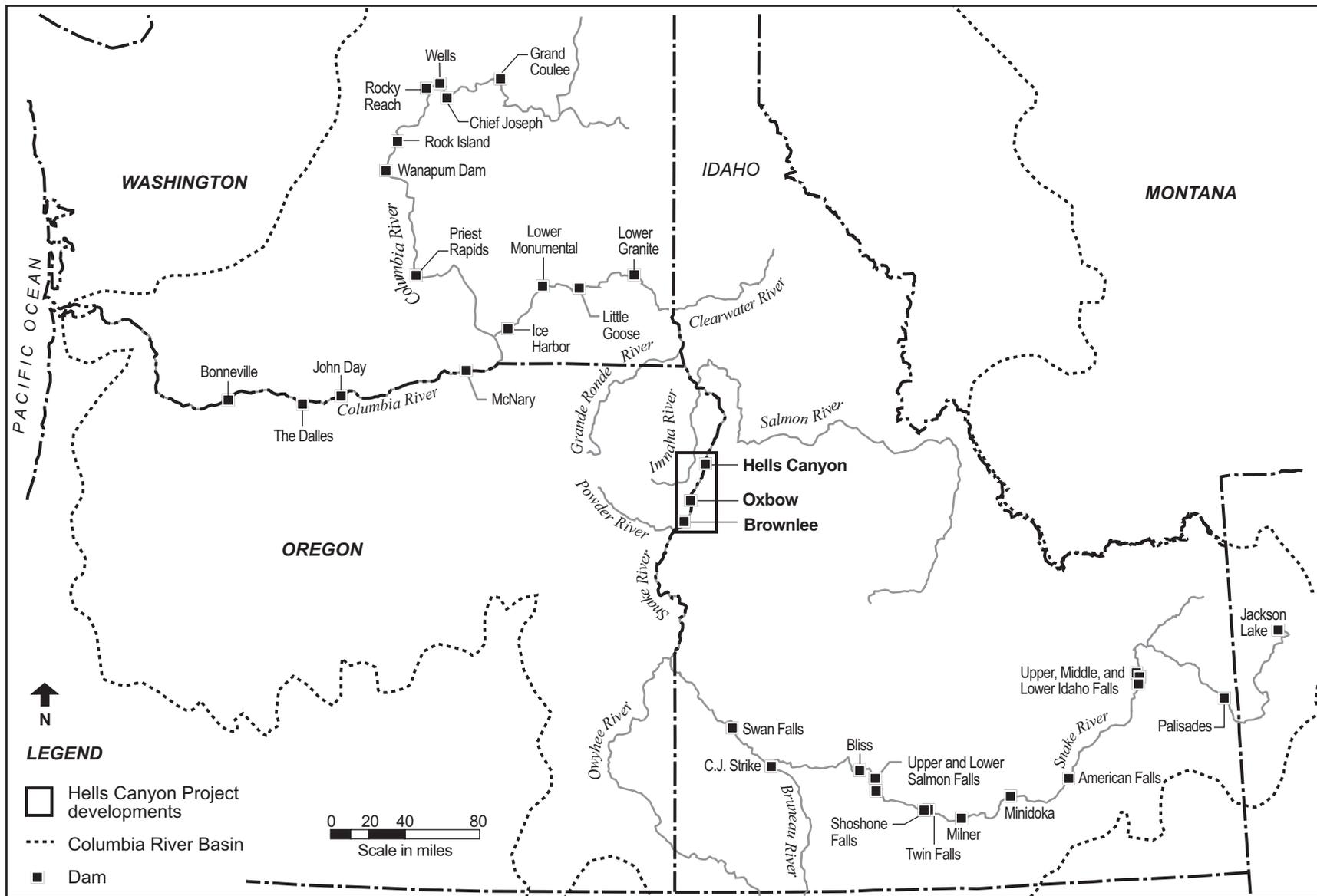


Figure 1. Location of the Hells Canyon Project. (Source: Staff)

1.2 NEED FOR POWER

Idaho Power is an investor-owned utility that serves about 430,000 customers in Idaho and Oregon. As of year-end 2003, Idaho Power's peak electric power resources were 2,912 MW (nameplate), and Idaho Power's historical peak load (occurring in 2002) was 2,963 MW. Idaho Power's average firm load in 2003 was 1,658 MW. In that year, Idaho Power customers' electrical energy needs were met by thermal generation (42 percent), hydroelectric generation (37 percent), and from power purchases (21 percent) (Idaho Power, 2004).

Idaho Power owns about 1,205 MW of thermal generating capacity (nameplate). The primary thermal power plants are shares of the Jim Bridger, Valmy, and Boardman coal-fired plants (1,110 MW baseload); the Danskin natural gas-fired plant (90 MW peaking); and the Salmon diesel plants (5 MW emergency). Idaho Power also has contracts to purchase power from Qualifying Facilities (cogeneration and small power production projects) with varying contract termination dates through the year 2028 (86 average megawatts [aMW]).

Idaho Power's hydroelectric resources consist of 17 generating plants located along the Snake River and its tributaries. The combined nameplate capacity of these plants is 1,707 MW. With a nameplate capacity of 1,167 MW, the Hells Canyon Project is Idaho Power's largest power generating resource. The Hells Canyon Project provides approximately 70 percent of Idaho Power's annual hydroelectric generation and about 40 percent of the company's total annual generation. With extensive reservoir storage capacity at the Brownlee development, the Hells Canyon Project provides the major portion of Idaho Power's peaking and load-following capability.

Every 2 years, Idaho Power produces an Integrated Resource Plan to fulfill regulatory requirements and guidelines established by the Idaho and Oregon Public Utility Commissions. The purpose of the plan is to ensure that there are sufficient power resources to reliably serve Idaho Power's customers over the next 10 years with a portfolio of resources that balances cost, risk, and environmental concerns. Two additional goals include an equal and balanced treatment of both supply-side resources and demand-side measures and a meaningful public involvement program. Demand-side measures included demand response programs in both irrigation and air conditioning sectors. Energy efficiency programs in the residential, commercial, industrial, and irrigation sectors are also evaluated in the Integrated Resource Plan as demand-side measures. Demand-side measures that show positive economic benefits and are considered reasonably feasible for implementation are carried forward into the finalist energy portfolios.

Over the 2004–2013 planning period covered by the 2004 Integrated Resource Plan, Idaho Power forecasts the need for new resources based on an expected average annual growth rate of 2.2 percent in average energy requirements. Idaho Power assumes the continued availability of existing resources under 70th percentile hydrologic conditions and the addition of Bennett Mountain (162 MW in 2005) and the Shoshone Falls upgrade (60 MW in 2008). With those assumptions, Idaho Power estimates a need to add about 976 MW of power generating capacity over the 10-year planning period, along with an increase in transmission capability. In the absence of the Hells Canyon Project, the estimated requirements for new resources would more than double to 2,143 MW.

We conclude there is a continuing need for the power generating capacity of the Hells Canyon Project.

1.3 INTERVENTIONS

On December 3, 2003, the Commission issued a notice accepting Idaho Power's application and soliciting motions to intervene and protests. This notice set a 60-day period during which interventions and protests could be filed. The following entities filed motions to intervene.

Entity	Filed Date
Payette Water Users Association	December 11, 2003
Washington County Board of County Commissioners	December 16, 2003
Pioneer Irrigation District and Settlers Irrigation District	December 16, 2003
Burns Paiute Tribe	December 19, 2003
American Rivers	January 15, 2004
Idaho Rivers United	January 16, 2004
Northwest Professional Power Vessel Association	January 20, 2004
Nez Perce Tribe	January 20, 2004
U.S. Department of Agriculture, Forest Service	January 23, 2004
U.S. Department of the Interior	January 26, 2004
Lower Valley Energy	January 26, 2006
State of Oregon	January 27, 2004
National Oceanic and Atmospheric Administration, National Marine Fisheries Service	January 29, 2004
State of Idaho	January 29, 2004
Columbia River Inter-Tribal Fish Commission	January 30, 2004
Hells Canyon Alliance	January 30, 2004
Shoshone-Paiute Tribes (Protest)	January 30, 2004
Northwest Resource Information Center, Inc.	January 31, 2004
J.R. Simplot Company	February 2, 2004
Shoshone-Bannock Tribes	February 13, 2004
Adams County Commissioners	February 23, 2004
Idaho Public Utilities Commission	February 23, 2004
Washington County Board of County Commissioners	March 4, 2004

1.4 SCOPING PROCESS

Pursuant to the National Environmental Policy Act of 1969 (NEPA), we held scoping meetings in the project area, including two in Boise, Idaho (November 18, 2003) and one each in Halfway, Oregon (November 19); Weiser, Idaho (November 20); and Council, Idaho (November 20) to provide agencies and interested parties an opportunity to review and provide input concerning our Scoping Document 1, issued on October 20, 2003.

During and immediately after the scoping comment period, the Commission received approximately 36 letters from agencies, Tribes, non-governmental organizations (NGOs), and interested businesses, along with approximately 1,175 letters and postcards from individuals. All comments received are part of the Commission's official record for the project.

We revised Scoping Document 1 following the scoping meetings and after reviewing the comments filed during the scoping comment period, and we issued Scoping Document 2 on November 24, 2004.

1.5 CONSULTATION

On October 28, 2005, the Commission issued a notice indicating that the project was ready for environmental review and setting a 90-day period (comments due by January 26, 2006) during which terms, conditions, prescriptions, and recommendations could be filed. Appendix A provides a complete listing of the terms, conditions, prescriptions, and recommendations that were filed, giving each an alpha-numeric identifier that is used throughout this EIS. The following entities filed comments, terms, conditions, prescriptions, or recommendations in response to the Commission’s notice.

Entity	Filed Date
Idaho State Historical Society	January 13, 2006 and January 27, 2006
Northwest Professional Power Vessel Association	January 23, 2006
State of Oregon (Oregon Water Resources Department, Department of Environmental Quality, Oregon State Marine Board, Department of Fish and Wildlife, Parks and Recreation Department, State Historic Preservation Office, Department of State Lands)	January 25, 2006
National Oceanic and Atmospheric Administration, National Marine Fisheries Service	January 26, 2006
Burns Paiute Tribe	January 26, 2006
U.S. Department of Agriculture, Forest Service	January 26, 2006
American Rivers and Idaho Rivers United	January 26, 2006
Department of the Army, Corps of Engineers	January 26, 2006
Confederated Tribes of the Umatilla Indian Reservation	January 26, 2006
State of Idaho (Department of Environmental Quality, Department of Fish and Game, Department of Parks and Recreation, Idaho Water Board, Idaho Land Board)	January 26, 2006
Shoshone-Paiute Tribes of the Duck Valley Indian Reservation	January 26, 2006
Lower Valley Energy	January 26, 2006
Nez Perce Tribe	January 26, 2006
U.S. Department of the Interior	January 26, 2006
The Shoshone-Bannock Tribes	January 26, 2006

Idaho Power and the Pioneer Irrigation District, Settler’s Irrigation District, and Payette River Water Users Association filed responses to the comments, terms, conditions, prescriptions, and recommendations on April 11, 2006.

This page intentionally left blank.