

# **COVER SHEET**

FEDERAL ENERGY REGULATORY COMMISSION

FINAL ENVIRONMENTAL IMPACT STATEMENT  
FOR THE ROCKY REACH HYDROELECTRIC PROJECT  
Docket No. P-2145-060

Executive Summary  
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FEIS

## EXECUTIVE SUMMARY

This final environmental impact statement (final EIS) evaluates the potential effects on the environment associated with relicensing the 865.76-megawatt Rocky Reach Hydroelectric Project (project) No. 2145. The project is an existing, operating hydroelectric facility located on the Columbia River near the city of Wenatchee, Washington. The project occupies approximately 1,500 acres, of which about 152 acres are federal lands managed by the U.S. Bureau of Land Management and the U.S. Forest Service (Forest Service). All of the Forest Service land is in Washington Department of Transportation and railroad rights-of-way. The project is licensed to Public Utility District No. 1 of Chelan County (Chelan PUD). Chelan PUD filed an application on June 30, 2004, for a new license with the Federal Energy Regulatory Commission (Commission or FERC) for the continued operation and maintenance (O&M) of the existing project. No new capacity is proposed. The original project license expired on June 30, 2006 and the project is currently operating on an annual license per a Notice of Authorization issued on July 11, 2006.

On March 20, 2006, Chelan PUD filed a Comprehensive Settlement Agreement (Settlement Agreement) signed by the applicant and nine other parties<sup>6</sup>. On June 5, 2006, Chelan PUD filed an additional signature page to the Settlement Agreement, adding the Confederated Tribes of the Colville Reservation as one of the settling parties. On June 28, 2006, Chelan PUD filed an additional signature page to the Settlement Agreement, adding the Confederated Tribes and Bands of the Yakama Nation as one of the settling parties. The Settlement Agreement resolves issues related to relicensing the project.

In this final EIS, we, the Commission staff, assess the environmental and economic effects of: (1) continuing to operate the project with no changes or enhancements (no-action alternative); (2) operating the project as proposed by Chelan PUD in the Settlement Agreement (Chelan PUD's proposal); and (3) operating the project as proposed by Chelan PUD with additional or modified environmental measures (staff alternative).

### NO-ACTION ALTERNATIVE

The no-action alternative is intended to describe the environment as it exists today, and to describe a baseline by which we judge the benefits and costs of any needed measures that would be applied under a new license. In June 2004, the Commission amended the project's existing license to include the Anadromous Fish Agreement and Habitat Conservation Plan for the Rocky Reach Project (HCP). In accordance with the

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<sup>6</sup> The nine parties are U.S. Fish and Wildlife Service, Washington Department of Ecology, National Park Service, U.S. Bureau of Land Management, Washington Department of Fish and Wildlife, Washington State Parks and Recreation Commission, City of Entiat, Entiat Coalition, and Alcoa Power Generating Inc.

amended license, Chelan PUD has begun to implement the HCP, but implementation is still in the early stages. Much of the cost of implementing the HCP is still to be expended and the expected benefits of the HCP have not begun to accrue; most of these costs and benefits would begin to accrue during the term of any new license that may be issued. Including future HCP measures as part of the no-action alternative would not reflect the environment as it exists today and would pre-judge the benefits and costs of including those measures in a new license. Therefore, to accurately differentiate between the no-action alternative (baseline), the proposed action (Chelan PUD's proposal, which includes implementation of the HCP), and any other alternatives, we define the no-action alternative as project operations as it existed on January 12, 2005, when the Commission issued its Ready for Environmental Analysis notice. Under the no-action alternative, the project would continue to operate, without implementation of future HCP-mandated measures. No additional enhancement measures, including those contained in the Settlement Agreement, would be implemented and power generation would remain the same.

Under the no-action alternative, total average annual generation would be 6,030,900 megawatt-hours (MWh). Based on our estimate of the current cost of replacing this amount of power with no consideration of inflation over the 30-year period of our analysis, the average annual power value of the project under the no-action alternative would be \$236.86 million (about \$39.27/MWh) and the average annual cost would be \$79.89 million (about \$13.25/MWh), resulting in an average annual net benefit of \$156.97 million (about \$26.02/MWh).

## **CHELAN PUD'S PROPOSAL**

Chelan PUD's proposal would implement the protection and enhancement measures detailed in the Settlement Agreement. Measures included in Chelan PUD's proposal are: (1) establishing several forums to serve as a primary means of coordination between Chelan PUD and other parties regarding implementation of the management plans; (2) implementing a Shoreline Erosion Management Plan; (3) implementing a Water Quality Management Plan; (4) continuing to implement the HCP for the Rocky Reach Project to protect salmon and steelhead; (5) developing and implementing a White Sturgeon Management Plan; (6) continuing to implement the Bull Trout Management Plan; (7) implementing a Pacific Lamprey Management Plan; (8) implementing a Resident Fish Management Plan; (9) implementing a Wildlife Management Plan (Wildlife Plan); (10) implementing a Historic Properties and Cultural Resources Management Plan; and (11) implementing a Recreation Resources Management Plan. Specific measures included in each of the plans and programs are described in Section 3.0, *Environmental Analysis*.

Chelan PUD's proposal includes significant environmental measures, such as continued implementation of the HCP, restoration and maintenance of the fish bypass, hatchery improvements, and recreational facility improvements. The measures included

in this alternative would not change the project's installed or dependable capacity or its average annual generation. With the same average annual power value as the no-action alternative and with an average annual cost of \$97.33 million (about \$16.14/MWh), the average annual net benefit of Chelan PUD's proposal would be \$139.53 million (about \$23.14/MWh).

## **STAFF ALTERNATIVE**

The staff alternative includes most, but not all, of the measures proposed by Chelan PUD as well as additional measures, including those recommended by state and federal agencies pursuant to sections 18, 4(e), and 10(j) of the Federal Power Act.

Measures proposed by Chelan PUD but not included in the staff alternative are:

(1) determining the carrying capacity of available habitat for white sturgeon and adjusting the supplemental program; (2) participating in the U.S. Fish and Wildlife Service's bull trout recovery plan development; (3) exchanging information and participating in regional monitoring efforts for bull trout; (4) literature review of upstream passage measures for Pacific lamprey; (5) identifying and addressing juvenile lamprey presence, abundance, and habitat use; (6) identifying and implementing measures to address unavoidable effects to achieve No Net Impact for Pacific lamprey; (7) resident fish rearing and stocking; (8) implementing resident fish/fishing enhancement measures; (9) recreational fishing evaluation for resident fish; (10) monitoring resident fish species composition and abundance; and (11) annual community meetings for recreation.

Additional or modified measures included in the staff alternative are: (1) filing a revised Wildlife Plan; (2) filing a report every 5 years on proposed Wildlife Plan activities; (3) revising the project boundary to include lands where O&M is required under the revised Wildlife Plan; (4) incorporating the riparian habitat associated with the Sun Cove property in the project boundary and protecting the wildlife habitat (as opposed to acquiring a conservation easement); and (5) filing a revised Recreation Plan.

Under the staff alternative, the project would have the same power benefit as Chelan PUD's proposal and the no-action alternative. With an average annual cost of \$97.19 million (about \$16.11/MWh), the average annual net benefit of the staff alternative would be \$139.68 million (about \$23.16/MWh).

The staff alternative does not include some of the recommendations filed by the Confederated Tribes of the Umatilla Indian Reservation and the U.S. Forest Service. They include: (1) formation of a Water Quality Committee; (2) establishing juvenile salmonid mortality and fish passage efficiency goal achievement; (3) adult upstream salmonid passage goal achievement; (4) funding for regional evaluation of salmon stock; (5) white sturgeon population supplementation program through hatchery construction; (6) monitoring and evaluation program for white sturgeon; (7) four-tier sturgeon studies; (8) improving passage for Pacific lamprey; (9) upstream lamprey passage activities; (10) downstream lamprey passage measures; (11) juvenile lamprey habitat assessments;

(12) Pacific lamprey regional research and information sharing; (13) meeting specified lamprey passage goals; (14) lamprey monitoring beyond the project boundary; (15) detailed fishery operations plan; (16) hatchery and habitat management plans; (17) recreation enhancement fund; and (18) a comprehensive Information and Education program.

## **CONCLUSION**

We chose the staff alternative as the preferred alternative because: (1) the project would provide a significant and dependable source of electrical energy for the region (6.0 million MWh annually); (2) the project would avoid the need for an equivalent amount of fossil fuel-fired electric generation and capacity, thereby continuing to help conserve these nonrenewable energy resources and reduce atmospheric pollution; and (3) the protection, mitigation, and enhancement measures proposed by Chelan PUD, as modified and combined with additional measures recommended by the staff, would adequately protect and enhance environmental resources and mitigate impacts of the project.

The overall benefits of this alternative would be worth the cost of proposed environmental measures and would outweigh the consequences of not implementing the other alternatives or of license denial.