

REPORT OF THE EXECUTIVE DIRECTOR

Date: December 26, 2017

Subject: Island Park (LIHI #2) Certification Decision

Background

Fall River Rural Electric Cooperative, Inc. (Applicant or FRREC) submitted a LIHI application on December 23, 2016 for the Island Park Project (4.8 MW, FERC # 2973) located at the U.S. Bureau of Reclamation Island Park Dam on the Henrys Fork, or North Fork, of the Snake River in Idaho. The application is grandfathered for review under the April 2014 LIHI Handbook. The Project had been certified by LIHI in 2001 under Certificate No. 2; that certification expired June 7, 2003. The certification was extended in 2003 when LIHI extended certification terms from two years to five years in duration. It was certified again for a five-year term from June 24, 2006 to June 24, 2011. FFREC chose not to apply for recertification at that time. The independent application review was completed by Jeff Cueto in a report dated March 16, 2017. The reviewer recommended not certifying the Project at that time due to concerns about flows and water quality. In May of 2017 LIHI staff contacted the applicant and suggested that they attempt to meet the flow and water quality criteria by alternative means allowed under the 2014 Handbook.

Criterion A: Flows

The Applicant originally selected Standard A.2 – "If there is no flow condition recommended by any Resource Agency for the Facility, or if the recommendation was issued prior to January 1, 1987, is the Facility in Compliance with a flow release schedule, both below the tailrace and in all bypassed reaches, that at a minimum meets Aquatic Base Flow standards or "good" habitat flow standards calculated using the Montana-Tennant method?"

The reviewer disagreed that the Project met this standard after performing additional calculations on aquatic base flows, which indicated that flows from the Project were less than the Montana-Tennant method based flows.

In November 2017, the Applicant provided information to support Standard A.3 – "If the Facility is unable to meet the flow standards in A.2., has the Applicant demonstrated, and obtained a letter from the relevant Resource Agency confirming that demonstration, that the flow conditions at the Facility are appropriately protective of fish, wildlife, and water quality?"

An October 23, 2017 letter from Idaho Department of Fish and Game (attached) provides support for the adequacy of current flow levels at the Project.

Water Quality

The Applicant originally selected Standard B.1 – "Is the Facility either: a) In Compliance with all conditions issued pursuant to a Clean Water Act Section 401 water quality certification issued for the Facility after December 31, 1986? Or b) In Compliance with the quantitative water quality standards established by the state that support designated uses pursuant to the federal Clean Water Act in the Facility area and in the downstream reach?"

The reviewer noted that: a) the Project water quality certification was issued before 1987, and b) without additional data, it was not clear that water quality standards are being met downstream since there had been deviations from water quality standards reported. The FERC license contains more strict water quality standards than the state standards for dissolved oxygen and temperature.

In November 2017, the Applicant provided information to support meeting Standard B.1, in the form of a letter from Henry's Fork Foundation dated August 17, 2017. The Foundation conducts water quality monitoring and indicated that the Project is in compliance with water quality and ramping rate requirements. The Applicant has taken the following steps in that regard:

- 1. Replaced water quality monitoring equipment;
- 2. continuing to utilize the re-aeration system in place at the Project;
- 3. performing voluntary generation shutdowns when water quality standards cannot be met; and
- 4. subsequent to the LIHI review, the Applicant had filed with FERC a revised Ramping Rate Plan to minimize deviations in ramping rates and to provide better real-time data on flows and ramping rates. The plan was approved by FERC on November 7, 2017 and an August 2, 2017 FERC environmental inspection verified compliance with the new revised ramping approach and the inspector's report indicated: "It appears that the ramping rate issue is satisfied."

In December 2017, the Applicant filed a late notification letter to FERC describing summer 2017 short term dissolved oxygen (DO) deviations from License Article 107/401 (which has more strict water quality limits than the state's water quality standards). This technically constitutes a FERC license violation but the supporting information submitted to LIHI about the deviations indicates consultation with stakeholders and a conscious decision to minimize environmental impacts by allowing DO to go below the FERC limit but staying within the state limit, in order to mitigate for the larger environmental impact of increased turbidity that would be created by operating differently and opening the Reclamation dam gates in order to improve DO.

2017 Certification Decision

Based on the supporting letters received and LIHI's review of documents available on the FERC elibrary, the Applicant has now successfully met the applicable standards questioned in the reviewer's report. Therefore, the Island Park Project has met all eight (8) criteria in the 2014 Handbook. The Project is therefore conditionally approved for Certification for a period of five (5) years effective on the date of public posting (p. 17 of the 2014 handbook) December 30, 2016 and expiring December 30, 2021.

Sincerely,

Shannon Ames Executive Director

Attachment

Island Park Support Letters



IDAHO DEPARTMENT OF FISH AND GAME

UPPER SNAKE REGION 4279 Commerce Circle Idaho Falls, Idaho 83401

C.L. "Butch" Otter / Governor Virgil Moore / Director

October 23, 2017

Michael J Sale, Ph.D. Senior Technical Advisor Low Impact Hydropower Institute

Dear Mr. Sale:

Idaho Department of Fish and Game was asked to provide a letter testifying to the effects of flow releases below Island Park Dam in relation to the trout population downstream.

It is our belief that flow releases as currently managed, provide a balance between the recreational trout fishery and the needs to meet flood control, irrigation demands, and hydropower production. It is our understanding that certification from the Low Impact Hydropower Institute is being sought, and that one of the criteria for the certification is that flows downstream of the Island Park hydropower project are appropriately protective of the fishery there.

The demonstration called for in the standard is that healthy trout populations are being maintained below the dam. It is difficult to state flows from the Island Park Dam are not providing for a robust trout population - our trout densities fluctuate between 1,500 and over 5,000 trout per mile. It is also clear that if flows were managed for one single element mentioned above, it could have effects on all the other ramifications the dam is managed for. In essence, a different flow scenario below the dam could produce higher density trout populations in some years, but doing so would make it impossible to meet other management needs the dam provides. In summary, flows from Island Park Dam currently allow for a healthy trout population downstream of the dam.

If you have additional questions, please contact Dan Garren, Regional Fisheries Manager for the Upper Snake Region at 208-525-7290.

Thank, You,

James E White

Regional Supervisor

JEW:DAG:jms



DATE: August 17, 2017

TO: Michael Sale, Senior Technical Advisor, Low Impact Hydropower Institute

FROM: Brandon Hoffner, Executive Director and Dr. Rob Van Kirk, Senior Scientist

RE: Island Park Project (FERC 2973) LIHI Certification

Fall River Rural Electric Cooperative (FRREC) has applied for Low Impact Hydropower Institute (LIHI) certification for its hydroelectric facility at Island Park Dam (FERC 2973). FRREC has provided us with a copy of the application, Jeff Cueto's review of that application, and your message of May 9, 2017 to FRREC communicating concerns over LIHI certification of the Island Park facility. One item of concern is the plant's ability to meet water-quality criteria. We submit this memo to formally document our satisfaction with steps FRREC has taken over the past two years to address water-quality compliance.

Founded in 1984 as a 501(c)3 nonprofit organization, the Henry's Fork Foundation (HFF) is the only organization whose sole mission is to conserve, restore, and protect the unique fishery, wildlife, and aesthetic qualities of the Henry's Fork of the Snake River watershed. HFF is supported almost exclusively by donations from its 2,500 members and from small family foundations. Since HFF first hired full-time staff in 1992, collaboration and scientific research have been our primary tools for mission accomplishment. With Fremont-Madison Irrigation District (FMID), we co-facilitate the Henry's Fork Watershed Council, which has become a nationally recognized model of collaborative management.

Our water-quality monitoring program identified low dissolved oxygen concentrations downstream of the Island Park facility in 2014, and we brought this issue to FRREC's attention in the fall of 2015. In the spring of 2016, we formally documented our concerns about repeated ramping-rate violations that occurred when the plant's automated control system failed to smoothly transfer flow from the power plant to the dam gates when unanticipated events tripped the power plant. Over the past 14 months, FRREC has worked diligently and in good faith to address these concerns. Outdated water-quality monitoring equipment has been replaced with modern equipment that is calibrated and maintained appropriately, water-quality reports have been vetted with stakeholders and submitted on time, the oxygenation system at the plant has been repaired, and the flow-control system was completely replaced. To the best of our ability to monitor the plant's operation using our instruments and publicly available flow data, the plant has been operating within the criteria of its FERC license since last summer. During time periods when water-quality criteria cannot be met, FRREC has voluntarily shut down the plant.

Therefore, we believe that the contributors to past occurrences of non-compliance with water-quality and ramping-rate criteria have been remedied and should not prevent LIHI certification of the Island Park hydroelectric project. We support FRREC's application for LIHI certification and hope that the information in this memo, as well as complementary information from Idaho Department of Fish and Game and the Henry's Fork Drought Management Planning Committee, will allow this certification to be issued.