

# LOW IMPACT HYDROPOWER INSTITUTE

34 Providence Street

Portland, ME 04103

Tel. (207) 773-8190 • Fax (206) 984-3086

[www.lowimpacthydro.org](http://www.lowimpacthydro.org)

January 28, 2008

Gregg Carrington  
Director of External Affairs  
Public Utility District No. 1 of Chelan County  
327 N. Wenatchee Ave.  
P.O. Box 1231  
Wenatchee, WA 98807

Subject: **Lake Chelan Hydroelectric Project  
LIHI Certificate No. 000030**

Dear Gregg:

I am delighted to report that the Institute's Governing Board has determined that the Lake Chelan Hydroelectric Project, meets the LIHI Certification Criteria. An original LIHI certificate will be forwarded to you once the Governing Board Chair and Secretary have executed it.

In reaching its decision to certify the Lake Chelan Hydroelectric Project, the Low Impact Hydropower Institute's Governing Board reviewed the application for certification, as well as the Application Reviewer's report. The Board's vote to certify the Lake Chelan Hydroelectric Project was unanimous. LIHI received no public comments on this application.

The certification of the Lake Chelan Hydroelectric Project is valid for five years and will expire on September 26, 2012. During the time the Lake Chelan Hydroelectric Project is certified, you may market the Lake Chelan Hydroelectric Project facilities as a LIHI certified facility.

It is your responsibility to maintain compliance with the certification criteria and to notify us of any changed conditions relevant to the certification. This could include changes in agency recommendations, or changes in operations. You will also be asked to fill out a short form each year to confirm compliance during the preceding year. The Institute may also conduct occasional follow-up checks with you and/or relevant resource agencies to ensure that the Lake Chelan Hydroelectric Project remains in compliance.

I strongly recommend you review LIHI's Certification Use Requirements (addressing the language to be used for describing a LIHI Certified Facility for marketing purposes), our

Compliance standards and the penalties for non-compliance, as well as current information about renewing your certification. That information, as you know, is available at the LIHI website ([www.lowimpacthydro.org](http://www.lowimpacthydro.org) ). If you have any questions about any of those materials please call.

If the Institute identifies a problem with Lake Chelan Hydroelectric Project's compliance with the certification criteria, it will evaluate the situation and take any necessary actions. In the case of non-compliance, possible responses include the suspension or revocation of the certification. Factors to be considered would include the scope, duration, and intensity of any non-compliance, its effects on the environment, whether the violation was intentional or not, and whether or not there was a valid reason (e.g., public safety) for the non-compliance.

At their September 6, 2007 meeting the LIHI Board unanimously approved a proposal to add an annual fee to LIHI certificate holders. This change will affect certifications and certification renewals approved after the effective date of the fee changes, November 7, which comes at the end of a sixty-day Public Comment period. The Board instructed LIHI staff that the fee structure change take effect on the day after the close of the sixty-day Public Comment period unless the LIHI staff notifies the Board that they have received a comment requiring Board attention. There were no comments on the annual fee. The new fee structure consists of:

- keeping the one-time processing fee at current levels, add a low end fee level (for facilities annually producing between zero and 20.4 GWH). The processing fee is based on Average Annual Generation for projects with up to 1,800 GWH. While the process fee has a ceiling for projects in excess of 1,800 GWH, these projects will be assessed an Annual Fee that is based on their actual Annual Average Generation rather than a percentage of the process fee, and;
- setting the annual fee at 15% of the processing fee due annually on the certificate's anniversary date.

All applicants for certification that have filed an initial LIHI application after November 7, 2007 will be invoiced an Annual Fee on the first anniversary of their certification date. All existing certificate holders filing for recertification after November 7, 2007 will be billed the recertification processing fee and after the first anniversary of their certification date will be invoiced an Annual Fee. The certificate holder will not be charged an Annual Fee during the year the Recertification Processing Fee has been invoiced. Annual Fee invoicing will be coordinated with the Annual Compliance mailing sent to all certificate holders on their first and subsequent anniversaries.

LIHI will not invoice projects that have been certified or recertified prior to November 7, 2007, (this includes Lake Chelan) however we plan to make an annual appeal for these certificate holders to make a donation to LIHI. I have attached Appendix C which is a more complete description of the LIHI Certification Fees.

Thank you again for your interest in the LIHI Certification Program, and congratulations on securing LIHI Certification for the Lake Chelan Hydroelectric Project. Contact me if you have any questions, or if I can be of any assistance.

Sincerely,

Fred Ayer,  
Executive Director

cc: Public files

**LOW IMPACT HYDROPOWER INSTITUTE**  
**34 Providence Street**  
**Portland, ME 04103**  
**Tel. (207) 773-8190 • Fax (206) 984-3086**  
**www.lowimpacthydro.org**

**LIHI CERTIFICATION PROGRAM**

**ATTACHMENT C**  
**CERTIFICATION PROGRAM FEES**

PROCESS and ANNUAL FEE SCHEDULE:

<b>Average Annual Generation Gigawatt hours</b>	<b>Process Fee (Due with Application)</b>	<b>Annual Fee (15% of Process Fee based on annual generation Due annually )</b>
0 to 20.4	\$1,600	\$240
21.5 to 43.8	\$2,500	\$375
43.9 to 87.6	\$5,000	\$750
87.7 to 131.4	\$7,500	\$1,125
131.5 to 219.0	\$10,250	\$1,537.50
219.1 to 306.6	\$13,000	\$1,950
306.7 to 394.2	\$15,750	\$2,362.50
394.3 to 481.8	\$18,500	\$2,775
481.9 to 569.4	\$21,000	\$3,150
569.5 to 657.0	\$23,000	\$3,450
657.1 to 744.6	\$25,500	\$3,825
744.7 to 832.2	\$27,500	\$4,125
832.3 to 919.8	\$30,000	\$4,500
919.9 to 1,007.4	\$32,500	\$4,875
1,007.5 to 1,095.0	\$35,000	\$5,250
1,095.1 to 1,183.0	\$37,500	\$5,625
1,183.1 to 1,270.2	\$40,000	\$6,000
1,270.3 to 1,357.8	\$42,500	\$6,375
1,357.9 to 1,445.4	\$45,000	\$6,750
1,445.5 to 1,533.0	\$47,500	\$7,125
1,533.1 to 1,620.6	\$50,000	\$7,500
1,620.7 to 1,708.2	\$52,500	\$7,875
1,708.3 to 1,795.8	\$55,000	\$8,250
1,795.9 and above	\$57,500	\$8,625

\* \$375 per each 100 GWH  
beyond 1800 GWH

\*\*1 gigawatt hour=1,000 megawatt hours= 1 million kilowatt hours

## **APPLICATION FEE FORMULA:**

**Single Facility Application: Fee = Production Fee**

**Consolidated Application (Multiple Facilities): Fee = Production Fee + \$2,000 per dam**

Average annual generation (for determination of the production fee) shall be calculated based on the ten-year average preceding the date of application (when available). For capacity added after 1998, average annual generation shall be calculated based on a three-year average, or the anticipated average annual generation if operational less than 3 years. Documentation of average annual generation must accompany the fee.

The fee level for a consolidated application shall include the production fee for the total average annual generation included in the consolidated application based on the fee schedule above, plus a \$2,000 fee for each dam included within the application. (A consolidated application may be submitted by an Applicant that owns or operates multiple facilities in a watershed that are operationally or hydrologically connected.)

### **Application Fee Premium for “Pre-Operations” Certification of a “new” facility:**

The fee level for an application for pre-operations certification of a “new” facility shall include a 10 percent fee premium calculated from the total fee charged.

Reductions in the application fee may be available under certain circumstances. Please contact the Institute for details.

### **Annual Fee for all LIHI Certified Projects:**

The annual fee for LIHI Certified projects is 15% of the processing fee<sup>1</sup> due annually on the certificate’s anniversary date.

### **Implementation Schedule:**

- All applicants for certification that have filed an initial Low Impact Application with LIHI after October 1, 2007 will be invoiced an Annual Fee<sup>2</sup> on the first anniversary of their certification date in accordance with Attachment C.
- All existing certificate holders filing for recertification after October 1, 2007 will be billed the recertification processing fee and after the first anniversary of their certification date will be invoiced an Annual Fee in accordance with Attachment C. The certificate

---

<sup>1</sup> The processing fee is based on Average Annual Generation for projects with up to 1,800 GWH. While the process fee has a ceiling for projects in excess of 1,800 GWH, these projects will be assessed an Annual Fee that is based on their actual Annual Average Generation rather than a percentage of the process fee.

<sup>2</sup> Annual Fee invoicing will be coordinated with the Annual Compliance mailing sent to all certificate holders on their first and subsequent anniversaries.

holder will not be charged an Annual Fee during the year the Recertification Processing Fee has been invoiced.

LIHI will not invoice projects that have been certified or recertified prior to October 1, 2007, however we plan to make an annual appeal for these certificate holders to make a donation to LIHI.

### **Application Fee for Renewal for a certified facility:**

You may apply for renewal or re-certification by completing and submitting a Re-certification Application Package. This Re-certification Application Package will include:

1. Response to the LIHI questionnaire to determine if any material changes have occurred in the Certification terms that would affect the certification (use the most recent LIHI questionnaire which is enclosed and provide only information that has changed from the original filing). If there are material changes, provide information which responds to the relevant questions on the original certification questionnaire and supporting documentation. If there have been changes in the Low Impact Hydropower criteria, provide information regarding the new or revised questions on the original certification questionnaire and supporting documentation;

2. A sworn statement from an officer of the Applicant that the material presented in the Re-Certification Application Package is true and complete;

3. A waiver of liability signed by an officer of the Applicant stating: “The primary goal of the Low Impact Hydropower Institute’s Certification Program is public benefit. The Governing Board and its agents are not responsible for financial or other private consequences of its certification decisions. The undersigned Applicant agrees to hold the Low Impact Hydropower Institute, the Governing Board and its agents harmless for any decision rendered on this or other applications or on any other action pursuant to the Low Impact Hydropower Institute’s Certification Program.” and

4. An application fee.

- Each applicant for renewal will be charged a base fee amounting to 20% of the original certification fee;
- If no material changes have occurred and the Low Impact Hydropower criteria have not been revised or if revisions have been made that do not affect the certifiability of the applicant’s project, LIHI’s Governing Board, based on recommendation from the Executive Director, will issue a Low Impact Hydropower certification and post notice of the certification on the Institute’s Web page. There will be no additional charges beyond the base renewal fee.
- If, however, material changes have occurred and/or, the Low Impact Hydropower criteria have been revised in a way that may affect the certifiability of the applicant’s project, the LIHI Executive Director will review the package and prepare

recommendations to the LIHI Board in accordance with the process for the initial certification. If the LIHI Executive Director needs to hire one of the pre-qualified Application Reviewers, the Applicant will be liable for these costs which are not included in the base renewal fee.

- The Annual Fee is not due on a project until one year from its recertification.