



LIHI HYDROPOWER CERTIFICATION

Pelton Round Butte Hydroelectric Project LIHI Certificate No. 25 (FERC No. 2030)

Effective October 30, 2014

Expiring October 30, 2022

This is to certify that the Pelton Round Butte Hydroelectric Project (FERC No. 2030), LIHI Certificate No. 25 has been determined by the Executive Director, Michael J. Sale to satisfy the requirements of the Low Impact Hydropower Institute (LIHI) Certification Program. The Pelton Round Butte Project is located on the Deschutes River in Jefferson County, Oregon.

This Certification was recommended by LIHI Executive Director, Michael J. Sale, and approved by the LIHI Governing Board Technical Committee resulting from a full review of the Application Reviewer's report and all public comments and additional materials provided by the Applicant. The decision to certify the Pelton Round Butte Hydroelectric Project is for an 8-year term, effective October 30, 2014 and expiring October 30, 2022, with the following project-specific conditions:

Condition 1. As part of the required annual Compliance Statement to LIHI, the facility owner shall identify any deviations from FERC operating requirements and will include copies of all agency and FERC notifications and reports of flow deviations that have occurred in the previous year, as well as incidents reportable under License Article 405 (i.e. injury/death of ESA or non-ESA fish species). This report shall be submitted by June 1 for the previous year's events. This report shall reference and include copies of all notifications made to the FERC during the previous year, as well as either a copy, or an electronic address to a publically available copy (preferred), of the annual report of monitoring data that is required under its most recent FERC license. Unless otherwise included in the FERC notifications themselves, the report to LIHI shall describe for each instance:

- a. The cause of the event/deviation;
- b. The date, duration and magnitude of the flow deviation. For fish incidents, the date and number / type of species killed;
- c. Confirmation that the required verbal notices have been made to the applicable agencies based on the type of event (flow deviation or fish kill). This data shall list the date of and to whom all notifications were sent;
- d. Ways to minimize future repeat occurrences to the extent possible by the Licensee;

- e. Any proposed mitigation measures and a schedule by which such measures will be implemented; and
- f. Status or confirmation that the previously developed mitigation measures (for the previous year) have been implemented according to the proposed schedule.

The owner shall maintain a proactive approach to reducing the frequency and severity of such deviations and incidents to the extent reasonably possible. The annual compliance report to LIHI will be used as confirmation that the facility owner is conducting the necessary actions to minimize such events and ensure compliance with LIHI's flow, fish passage and endangered species criteria.

Condition 2. The facility owner shall provide LIHI with a description of the current status and use of funds from the General Fund and the Water Rights Fund that were part of the Settlement Agreement and current FERC license for the past year, as part of the Annual Compliance Letter to LIHI. In particular, this description shall identify the lands and waters that are benefiting from the funds and be sufficient to determine if the programs funded continue to achieve the ecological and recreational equivalent of land protection of the buffer zone referred to in Question D.1. This information will be used by LIHI staff to determine if the Pelton-Round Butte certification continues to qualify for three additional years in its term. Submission of a copy of the annual report sent to FERC under Article 436, or a link to it on FERC's eLibrary, would satisfy this reporting requirement.

Condition 3. The goal of this Condition is to ensure that all interested stakeholders have access to relevant monitoring data for water quality and fish passage, and that stakeholders have an opportunity to share their concerns about progress toward the SA goals with PGE on at least a regular, annual basis. Such information access shall be coordinated with the Fish Committee that was established in the SA and FERC license. Such information sharing shall include the modeling results and analysis that will come from the Nutrient and Algae Study that PGE started in February 2015, the purpose of which is to understand the complex dynamics of the waters entering and leaving the PRB facilities. The study plan, as well as findings expected in 2018, shall be part of the materials shared with stakeholders. PGE shall establish a means to facilitate sharing of ongoing environmental studies and results from the adaptive management program associated with operations of the selective withdrawal tower with stakeholders who have demonstrated an interest in such Project activities. This information sharing may include newsletters, notices of new study findings, posting of such materials / announcements on PGE's website or other similar methods. Such announcements of new information shall be done at least semi-annually. A method for stakeholders to provide comment to PGE on this information shall also be developed. PGE shall notify LIHI within 60 days of LIHI recertification as to the method(s) by which such information sharing will be accomplished. A summary of information so communicated shall be included in the annual compliance reports to LIHI. If PGE misses any deadlines established in their FERC license, the SA or ODEQ's WQC for reports related to water quality or fish passage, PGE shall notify LIHI within 30 days of that occurrence, explain the reasons for the missed deadline, and define remedial actions they plan to take to get back on schedule.

I. CERTIFICATION USE REQUIREMENTS**A. Federal Trade Commission Principles:**

Any use of a LIHI certification must follow the principles established by the Federal Trade Commission in its Guides for the Use of Environmental Marketing Claims, 16 C.F.R. Part 260. Under the Federal Trade Commission principles, all environmental claims used in advertising must:

1. Be factually based (and objectively verifiable to the extent technically possible);
2. Not overstate environmental attributes or benefits, expressly or by implication;
3. Present comparative claims in a manner that makes the basis for the comparison sufficiently clear to avoid customer deception; and
4. Ensure that any necessary qualifiers or disclaimers be sufficiently clear and prominent to prevent deception.

B. Language for Describing a LIHI Certified Hydropower Facility:

The following is acceptable language for describing a certified LIHI Hydropower facility. This language must accompany all claims of LIHI Hydropower certification. This language must be clear and prominent and in close proximity to the claims of LIHI Hydropower certification. Any modifications to descriptions must be pre-approved by the Low Impact Hydropower Institute pursuant to Section E below.

This product includes Hydropower from facilities certified by the Low Impact Hydropower Institute (an independent non-profit organization) to have environmental impacts in key areas below levels the Institute considers acceptable for hydropower facilities. For more information about the certification, please see www.lowimpacthydro.org.

C. Language for Referring to Supporters of the LIHI Hydropower Certification Program:

As discussed above, an organization, company or individual may become a LIHI Hydropower Certification Program Supporter by endorsing the goals and objectives of the LIHI Hydropower Certification Program. Endorsement of the Certification Program's goals and objectives or any other support of the Low Impact Hydropower Institute does not imply endorsement of individual hydropower facilities meeting the criteria or any resulting power product, nor does endorsement imply the labeling of other hydropower facilities as high impact.

Any reference to individuals, companies or organizations that are LIHI Hydropower Certification Program Supporters or that otherwise support the Low Impact Hydropower Institute, must include the disclaimer provided below. This disclaimer must be clear and prominent and in close proximity to the reference to supporting individuals, companies or organization

D. Language Use:

It is expected that language referring to the LIHI Certified Hydropower designation and supporters will appear only in written materials related to the certified facility or to power generated from the facility. Any use of the certification other than that consistent with these Certification Use Requirements must be pre-approved by the Low Impact Hydropower Institute pursuant to Section E below.

E. Approval of Alternative Language and Claims:

The Low Impact Hydropower Institute must pre-approve the language regarding the Low Impact Hydropower Institute or Certification Program in any press release or product marketing materials that departs from the pre-approved language for describing the LIHI Hydropower Certification Program or Supporters.

II. COMPLIANCE OBLIGATIONS***A. Notification of Potential Non-Compliance:***

A holder of a Low Impact Hydropower certification must notify the Certification Administrator as soon as possible if at any time one or more of the following occurs: (1) A violation of the LIHI criteria; (2) A violation of the Certification Use Requirements; (3) A change in conditions relevant to the certification; or (4) The receipt of a notice of violation or non-compliance relevant to the facility's certification from any government agency. Any other party may also notify the Certification Administrator of the occurrence of one or more of these conditions. The notification may include an explanation as to why the violation or change in conditions does not amount to a significant violation warranting penalties.

B. Review of Potential Non-Compliance:

The Application Reviewer will review the alleged violation or change in conditions, make any necessary inquiries, and, if necessary, request additional information from the certified facility. This request for additional information may include a facility inspection by the Application Reviewer. The Application Reviewer will submit a written report to the Certification Administrator regarding whether a compliance violation has occurred. Based on this report, the Certification Administrator will make a recommendation regarding compliance and penalties to the Governing Board. The Governing Board will determine what compliance action is appropriate. Standards for compliance and penalties for non-compliance are provided below.

C. Annual Statement:

A holder of a LIHI certificate must submit a statement to the Certification Administrator confirming that during the preceding year, there has been: (1) no violation of the LIHI criteria; (2) no violation of the Certification Use Requirements; (3) no change in conditions relevant to the certification; and (4) no receipt of notice of violation or non-compliance relevant to the facility's certification from any government agency. The statement must be submitted on or about the anniversary date of the certification. LIHI's practice is to send a compliance form to certified facility managers each year, usually around two weeks prior to the Low Impact facility's certification anniversary. Failure to file an annual statement, or a material misrepresentation contained in the statement may result in revocation of the certification.

All certified projects that have a settlement agreement as part of their license, must file with LIHI copies of annual implementation/compliance reports required by FERC or other relevant agencies. If there are no implementation/compliance reporting requirements by FERC or other relevant agencies, LIHI would require certificate holders to develop and submit implementation/compliance reporting that met LIHI's needs.

III. PENALTIES FOR NON-COMPLIANCE

Facilities certified by LIHI must maintain compliance with all LIHI criteria and with the Certification Use Requirements. If the Governing Board finds that a certified facility has committed a significant violation of these requirements, or if the Governing Board finds that a material misrepresentation of fact was made in any submission from an Applicant, the Governing Board shall:

- A. Revoke the certification;
- B. Bar the holder of the LIHI certification from re-applying for five years;
- C. Require the holder of the LIHI certification to notify immediately its current customers that its certification has been revoked, and, if its customer does not deliver power to the ultimate retail customer, to notify immediately the retail marketer; and/or
- D. Require any entity marketing power from the facility immediately to stop employing the LIHI certification in its marketing unless it can find other supply that is LIHI Certified Hydropower.

In unusual circumstances, the Governing Board has the authority to require additional penalties as it deems appropriate.

IV. RENEWAL OF CERTIFICATION

A. Re-Certification Application:

At the end of the certification period, a holder of a Low Impact Hydropower Institute certification may apply for re-certification by completing and submitting a Re-Certification Application Package. This package will consist of:

1. A questionnaire to determine if any material changes have occurred in the Certification term that would affect the certification;
2. If there are material changes, completed information regarding the relevant questions on the original certification questionnaire and supporting documentation;
3. If there have been changes in the Low Impact Hydropower Institute's criteria, completed information regarding the new or revised questions on the original certification questionnaire and supporting documentation;
4. A sworn statement from an officer of the Applicant that the material presented in the Re-Certification Application Package is true and complete;
5. 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,
6. An application fee. The level of fee for application for re-certification is set forth in the LIHI Handbook.

B. Re-Certification Review:

Review of applications from any certificate holder seeking renewed certification from LIHI will involve the following steps and approach:

1. Notification to Certificate Holder. Approximately six months prior to the expiration of the term (either five or eight years) of a previously-issued LIHI certification, LIHI will notify the certificate holder that its certification is due to expire, and will provide the holder the necessary instructions to apply to LIHI for re-certification, should the holder choose to do so. That information will include re-application materials and a statement of the application processing “base fee” due upon submittal of the new application for re-certification.
2. Posting for Public Comment. Upon receipt of an application for re-certification and the base fee, LIHI will post the application on its website and solicit public comment for a 60-day period.
3. Intake Review. A LIHI Application Reviewer will conduct an Intake Review of the application focused solely on determining the answers to the following two questions:

- Has there been a material change in circumstances since the original certification was issued?
For purposes of recertification review, a “material change in circumstances” will mean one or both of the following:

(a) Non-compliance: Since receiving its last certification from LIHI, the certificate holder/applicant has not implemented, or has delayed implementing, or has done an inadequate job of implementing obligations at or near the facility that are of relevance to LIHI’s criteria. These obligations could be in the form of terms and conditions of license(s), settlement agreements, resource agency recommendations or agreements, LIHI conditions of certification including annual notifications, agreements with local municipalities or other third parties or similar relevant obligations; or,

(b) New or renewed issues of concern that are relevant to LIHI’s criteria: Since receiving its last certification from LIHI, either new issues of concern and relevance to LIHI’s criteria have emerged that did not exist or were not made known to LIHI at the time of certification, or there continues to be ongoing problems with previously known issues that appeared to LIHI to be resolved or on the road to resolution at the time of certification but in fact are not resolved, and are ongoing at the time of the re-certification application. If a new license, settlement agreement, prescription, biological opinion or other similar regulatory decision has been made since the original recertification, these documents will be evaluated to determine if new or renewed issues have been raised.

- Have any of LIHI’s criteria, or the Board’s interpretation of one or more criterion, changed in meaningful ways since original certification that are applicable to the circumstances of the facility seeking re-certification?

4. Result from Intake Review.

If the Application Reviewer can definitively determine from the submitted application materials, a review of the LIHI file containing the past certification decision(s), any public comments received during the

application process, and any limited reviewer-initiated questioning by LIHI of the applicant and/or third parties, that the answer to both questions in paragraph 3. above is “no,” the Application Reviewer will recommend re-certification approval to LIHI’s Executive Director, and there will be no further application review.

If the Application Reviewer is either

(a) unable to determine from the submitted application materials, a review of the LIHI file containing the past certification decision(s), any public comments received during the application process, and any limited reviewer-initiated inquiry to the applicant and/or third parties whether the answer to both questions above is “no” and believes that a more detailed and thorough investigation will be required to answer one or both questions, or

(b) has determined that the answer to one or both questions is “yes,” then the application will require a full, complete review by the Application Reviewer should the applicant wish to continue the application process. LIHI will notify the certificate holder of the results of the Intake Review. If a Full Review is required, and if the amount of the base fee already paid to LIHI is insufficient to cover the cost of this Full Review, LIHI also will notify the certificate holder of any additional fee that is owed to LIHI prior to commencing the full review.

5. Full Review. If a Full Review is triggered because:

- The Intake Review determined that the application did not contain adequate information to allow the Intake Reviewer to answer the two questions in paragraph 3 above, the Full Review will be completed and a recommendation for re-certification will ensue once the Application Reviewer is able to ascertain that the answer to both questions in paragraph 3 is “no.” This determination will be based on additional information submitted by the Applicant and, if needed, consultation with resource agencies and other third parties.

- The Intake Review determined that the answer to one or both questions in paragraph 3 above is “yes” and more extensive investigation by LIHI is required, at the conclusion of the full review the Application Reviewer will make a recommendation to the Executive Director as to whether LIHI’s criteria are still met by the facility, in light of the material change and/or the change in LIHI’s criteria or interpretation.

6. Decision making by LIHI.

LIHI’s Executive Director will issue a new certification if the Executive Director determines from the review process (at either the intake or the full review stage) that all criteria have been satisfied. If the Executive Director concludes that a new certification should not be issued, the Executive Director will make that recommendation to LIHI’s Board of Directors, who will then make the determination of whether to re-certify the facility.

I hereby affirm this LIHI certification of the Pelton Round Butte Hydroelectric Project, effective September 14, 2015 and expiring September 14, 2020.

Signed,



John Seebach
Chair, Low Impact Hydropower Institute Governing Board



Nicholas Niiro
Secretary, Low Impact Hydropower Institute Governing Board

I hereby declare, under penalty of perjury, that the foregoing is a true and correct certificate issued by the Low Impact Hydropower Institute for the Pelton Round Butte Hydroelectric Project.

Dated: March 10, 2016



Signed: _____
Dana Hall, Deputy Director
