

October 22, 2012

Fred Ayer
Executive Director
Low Impact Hydropower Institute
34 Providence Street
Portland, ME 04103

Subject: Recertification Recommendation for the Willamette Falls Hydroelectric Project

Dear Fred:

This letter contains my recommendation for recertification of the Willamette Falls Hydroelectric Project (the "Project").

I. Recertification Standards

Part V of the Low Impact Hydropower Institute (LIHI)'s Certification Handbook (Updated December 2011) regarding Applications for Recertification ("Recertification Standards") provides that a "request for renewal of a previously-issued LIHI certification ("re-certification") will be granted at the conclusion of the term of the existing certification if re-certification is desired by the certificate holder, and so long as (1) there have been no "material changes" at the facility that would affect the certification and (2) LIHI's certification criteria have not been revised since the previous certification was issued by LIHI."

The Recertification review criteria also provide that "[i]f 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 above is "no," the Application Reviewer will recommend re-certification approval to LIHI's Executive Director, and there will be no further application review.

II. No further application review is recommended.

The Willamette Falls Hydroelectric Project (the "Project") received a license (P-2233) from the Federal Energy Regulatory Commission on December 8, 2005. The project was initially certified by LIHI as "low impact" in February 2008. Recertification application for this Project was not public noticed.

I have reviewed the materials submitted for recertification of the Project by Portland General Electric Company (Applicant) in support of its July 2012 application, the LIHI file containing the past certification decision and FERC's public information file on the Project. I also solicited comments from the individuals listed below who are knowledgeable of the Project, none of which reported any changes in the project (other than enhancements required by the license and settlement agreement) or known



compliance issues associated with the Project. All stated they were very pleased with the work that has been done and continues to be done by the Applicant. Mr. Ken Worcester of Department of Parks and Recreation, City of West Linn, commented that the delay in development of the recreational trail has been caused by the reluctance of one of the mill owners to grant access across the property, and not the applicant. All were reached between October 9 through October 22, 2012. Those noted in bold were reached; the others listed were called or emailed several times but did not return the requests.

| Organization | Contact | Number |
|---|---|---------------------|
| American Rivers | Ms. Brett Swift, Northwest Regional Manager | 503-827-8648 x 301 |
| Confederated Tribes of the Warm Springs Reservation of Oregon | Mr. Clay Penhollow Manager, Natural Resources | 541-553-2015 |
| Confederated Tribe of Siletz Indians of Oregon | Mr. Thomas Downey Environmental Protection Specialist | 541-444-2532 |
| Confederated Tribes of the Grand Ronde Community of Oregon | Mr. Michael Karnosh Environmental Resource Specialist | 800-422-0232 |
| Department of Parks and Recreation, City of West Linn | Mr. Ken Worcester | 503-557-4700 x 1555 |
| National Marine Fisheries Service | Ms. Stephanie Burchfield Fishery Biologist | 503-736-4720 |
| Oregon Department of Environmental Quality | Ms. Avis Newell Hydroelectric Water Quality Specialist | 503-229-6018 |
| Oregon Department of Fish and Wildlife | Mr. John Zauner Hydropower Coordinator | 971-673-6041 |
| Oregon Department of Fish and Wildlife | Mr. Ken Homolka | 503-947-6090 |
| Oregon Water Resources Department | Mr. Craig Kohanek | 503-986-0823 |
| Trout Unlimited | Ms. Kate Miller Energy and Water Council | 503-827-5700 x 16 |
| US Fish and Wildlife Service | Ann Gray Program Manager | 503-231-6179 |

In my opinion, the materials provided are sufficient to make a recertification recommendation, with a condition as noted below, and no further application review is needed.

III. There have been no “material changes” at the facility that would affect the certification.

In accordance with the Recertification Standards, “material changes” mean non-compliance and/or new or renewed issues of concern that are relevant to LIHI’s criteria. Based on my review of materials provided, review of FERC’s public records, and consultation with the noted individuals, I found that there are no instances of non-compliance or new or renewed issues of concern.

IV. LIHI’s certification criteria have not been revised since the previous certification was issued by LIHI in 2007.

It is my understanding that LIHI’s criteria, or the Board’s interpretation of one or more criteria, that are applicable to the circumstances of the Willamette Falls Hydroelectric Project, have not changed in meaningful ways since the date of the original certification.

Mr. Fred Ayer
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V. Conclusion

In light of the above, I recommend recertification of the Willamette Falls Hydroelectric Project. Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Patricia McIlvaine".

Patricia McIlvaine