

COVER SHEET

FEDERAL ENERGY REGULATORY COMMISSION

DRAFT ENVIRONMENTAL IMPACT STATEMENT
FOR THE KLAMATH HYDROELECTRIC PROJECT

Docket No. P-2082-027

Section 1

Purpose of Action and Need for Power

Pages 1-1 to 1-5

DEIS

NON-INTERNET PUBLIC

**DEIS
DRAFT ENVIRONMENTAL IMPACT STATEMENT
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Section 1
Figure 1-1
Page 1-2

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1 PacifiCorp is an integrated electric utility serving nearly 1.5 million people in a six-state service
2 area (PacifiCorp, 2004b). PacifiCorp operates as Pacific Power in Oregon, Washington, Wyoming, and
3 California and as Utah Power in Utah and Idaho. PacifiCorp sells power from these projects to its
4 customers transmitted via its transmission and distribution system. PacifiCorp operates about 8,300 MW
5 of capacity over the six-state area. This includes 10 thermal facilities (7,169 MW), 53 conventional hydro
6 facilities (1,087 MW), and a geothermal facility (26 MW). The Klamath River developments provide
7 about 2 percent of PacifiCorp's total generating capability. The proposed decommissioning of the East
8 Side and West Side facilities and removal of Keno development from the project would have a negligible
9 effect on PacifiCorp's ability to meet its customer's needs.

10 To see how demand for electricity is expected to change in the future in the project vicinity, we
11 looked at the regional need for power as reported by the North American Electric Reliability Council for
12 the Western Electricity Coordinating Council (WECC) region for 2005-2014 (NERC, 2005). The project
13 is located within the Northwest Power Pool (NWPP) area of WECC. The NWPP region includes all or
14 major portions of Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming; a small portion of
15 northern California; and the Canadian provinces of British Columbia and Alberta.

16 As a whole, WECC expects that capacity resources will be sufficient to provide adequate and
17 reliable service for forecasted demands. However, the current WECC estimate for additional capacity
18 over the next 10 years has dropped dramatically since the last forecast due to deteriorated financial
19 condition of private developers and because more capacity was proposed than was needed. WECC
20 currently expects approximately 25,155 MW of capacity to be completed over the next 10 years and its
21 capacity margins to drop below 12 percent by 2012. Many load-serving entities plan to maintain reserve
22 margins in excess of 12 percent, which may necessitate additional capacity construction to meet that
23 objective. The forecasted average annual demand growth rate is 2.4 percent.

24 Within the NWPP area, the forecasted peak demand and annual energy requirements are expected
25 to grow at annual compound rates of 1.7 and 1.9 percent, respectively. Due to the significant percentage
26 of hydro generation in the region, WECC expects the ability to meet peak demand will be adequate for
27 the next 10 years. Capacity margins for the winter-peaking NWPP area range from 23.7 to 28.6 percent
28 for the next 10 years.

29 We conclude that the WECC region and NWPP area sub-region have a need for power over the
30 near term. The project generating facilities, which supply a part of the current regional electricity
31 demand, could continue to help to meet part of the regional need for power.

32 PacifiCorp anticipates that 2,000 MW of additional capacity will be needed by 2014 for
33 PacifiCorp to meet its customer loads.² Its estimate includes the proposed decommissioning of East Side
34 and West Side developments.

35 If licensed, the power from the project would continue to be useful in meeting PacifiCorp's needs
36 as well as part of the local and regional need for power.

37 **1.3 INTERVENTIONS**

38 On August 16, 2004, the Commission issued a notice accepting PacifiCorp's application and
39 soliciting motions to intervene. This notice set a 60-day period during which interventions could be filed,
40 ending on October 15, 2004. The following entities filed motions to intervene. An (O) indicates the
41 entity also filed an intervention opposition.

²PacifiCorp's 2003 Integrated Resource Plan states that 4,000 MW will be needed by 2014. We assumed that about one-half of that capacity (2,000 MW) is needed on the west side of the system where the Klamath Hydroelectric Project is located, and one-half will be needed on the east side.

<u>Entity</u>	<u>Filed Date</u>
Yurok Indian Tribe	June 9, 2004
Oregon Water Resources Department, Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality, Oregon Public Utility Commission, Oregon Parks and Recreation Department	August 30, 2004
Hoopla Valley Tribe	September 22, 2004
Friends of the River	September 23, 2004
Pacific Coast Federation of Fishermen's Associations/ Institute for Fisheries Resources (O)	September 24, 2004
U.S. Department of the Interior	September 30, 2004
County of Siskiyou	October 8, 2004
U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Fisheries	October 8, 2004
County of Humboldt	October 8, 2004
Oregon Natural Resources Council	October 12, 2004
Klamath Water Users Association	October 12, 2004
California Department of Fish and Game	October 12, 2004
WaterWatch of Oregon (O)	October 12, 2004
Northcoast Environmental Center	October 12, 2004
Sierra Club-Redwood Chapter	October 13, 2004
Resighini Rancheria	October 13, 2004
Karuk Tribe of California	October 13, 2004
Noah's River Adventures	October 13, 2004
World Wildlife Fund ³	October 14, 2004
California Trout, Inc.	October 14, 2004
American Rivers	October 14, 2004
Trout Unlimited	October 14, 2004
Momentum River Expeditions	October 14, 2004
Richard Taylor- Taylor Ranch	October 15, 2004
Klamath Off-Project Water Users, Inc.	October 15, 2004
California State Water Resources Control Board	October 15, 2004
Kokopelli River Guides	October 15, 2004
Klamath Tribes of Oregon	October 15, 2004
County of Klamath	November 1, 2004
Quartz Valley Indian Community	November 30, 2004

1 1.4 SCOPING

2 Pursuant to the National Environmental Policy Act (NEPA) of 1969, we held scoping meetings in
3 the project area, including an evening one in Klamath Falls, Oregon (May 18, 2004); morning in Redding,
4 California (May 20); evening in Yreka, California (May 20); morning in Ashland, Oregon (May 21); and
5 evening and morning in Eureka, California (June 22) to provide agencies and interested parties an
6 opportunity to review and provide input concerning our Scoping Document 1 (SD1), issued on April 16,
7 2004. We also held a site visit, which was announced in local newspapers and in the Federal Register, to
8 the project facilities and surrounding environment on May 18 and 19, 2004.

9 Besides the oral comments received at the scoping meetings, 51 agencies, tribes, and non-
10 governmental organizations filed written comments on the SD1, and we received 83 letters from
11 individuals. All comments received are part of the Commission's official record for the project.

12 We revised SD1 following the scoping meetings and after reviewing the comments filed during
13 the scoping comment period, and we issued Scoping Document 2 on May 17, 2005.

³By letter filed July 24, 2006, World Wildlife Fund withdrew its intervention.

1 **1.5 RECOMMENDATIONS, TERMS, AND CONDITIONS**

2 On December 28, 2005, the Commission issued a notice indicating that the project was ready for
3 environmental review and setting a 60-day period during which terms, conditions, prescriptions, and
4 recommendations could be filed. On February 17, 2006, in response to requests from numerous parties,
5 the Commission extended this period to March 29, 2006. The following entities filed comments, terms,
6 conditions, prescriptions, or recommendations.

<u>Entity</u>	<u>Filed Date</u>
U.S. Environmental Protection Agency	February 28, 2006
Institute for Fisheries Resources/PacifiCoast Federation of Fishermen's Associations	March 27, 2006
Hoop Valley Tribal Council	March 28, 2006
Karuk Tribe of California	March 28, 2006
Oregon Hydroelectric Application Review Team (including Oregon Department of Energy, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Parks and Recreation Department, Oregon State Historic Preservation Office, and Oregon Water Resources Department)	March 28, 2006
Resighini Rancheria	March 28, 2006
California Department of Fish and Game	March 29, 2006
Conservation Groups (American Rivers, California Trout, Friends of the River, Klamath Forest Alliance, Northcoast Environmental Center, Northern California Council of the Federation of Fly Fishers, Oregon Natural Resources Council, Salmon River Restoration Council, Trout Unlimited, Waterwatch of Oregon, and World Wildlife Fund)	March 29, 2006
Quartz Valley Indian Community	March 29, 2006
U.S. Department of Agriculture, Forest Service	March 29, 2006
U.S. Department of Commerce, National Marine Fisheries Service	March 29, 2006
U.S. Department of the Interior (including Bureau of Land Management, Bureau of Reclamation, and Fish and Wildlife Service)	March 29, 2006
Siskiyou County	March 29, 2006
Yurok Tribe	March 29, 2006
The Klamath Tribes	March 30, 2006
Pacific Fishery Management Council	May 1, 2006
Ramon Caldero	July 3, 2006

7 PacifiCorp filed responses to the comments, terms, conditions, prescriptions, and
8 recommendations on May 12, 2006. All comments become part of the record and are considered during
9 our analysis of the proposed action. We discuss comments and recommendations in section 3.3,
10 *Proposed Action and Action Alternatives.*