



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown

FROM: Lisa Krentz, Electric Generation Manager; Mark Zinniker, Generation Engineering Supervisor; Jeremy Somogye, Generation Engineering Planner IV; and Robin Leighty, Regulatory Compliance Specialist II

DATE: May 2, 2023

SUBJECT: Leaburg Decommissioning Action Plan (LDAP)

OBJECTIVE: Informational Briefing (Intermediate Check-In)

Issue

This memo provides an update on our progress toward achieving the 2023 EWEB organizational goal #6:

“Consistent with the Record of Decision approved via Resolution 2302, complete an initial Leaburg Decommissioning Action Plan (LDAP), including identification of major project milestones through 2033, by coordinating with key public stakeholders, external agencies, and the Board of Commissioners and integrating with our near-term risk reduction measures to comply with FERC dam safety requirements.”

Background

Upon conclusion of a Triple Bottom Line (TBL) analysis of the Leaburg Hydroelectric Project, staff presented the Board with a Management Recommendation entitled *Future Disposition of the Leaburg Hydroelectric Project* at the Board Meeting on December 6, 2022. Subsequently, the Board unanimously approved the management recommendation put forth as a Record of Decision per Resolution 2302 on January 3, 2023. The resolution directs the General Manager or delegatee to develop, for Board Consideration, a Leaburg Hydroelectric Decommissioning Plan, consistent with the recommendation. The resolution highlighted the following primary components:

- a. Permanently discontinue electricity generation at the Leaburg Hydroelectric Project; Leaburg ceased generating electricity in 2018.
- b. With the decommissioning of the Leaburg Hydroelectric Facility, Leaburg Dam should, and will likely be required to, be removed, returning the McKenzie River to unobstructed flow in the bypass reach impacted by the hydroelectric facilities.
- c. The dam’s removal warrants alternative access development at the east end of the project boundary, south of the river.
- d. Initially, canal infrastructure should be repaired and used to channel tributary stream flows, including storm water, for conveyance to the river as the most practical alternative, still preserving the option to incrementally return a portion or the entire project, including the canal, to pre-project conditions. Where practical in the near term, portions of the canal should be decommissioned to pre-project conditions by arranging for tributary streams to flow directly to the river.

- e. EWEB should work specifically to mitigate water rights and water access issues where legally obligated and facilitate water access where possible specifically for fish hatcheries.
- f. Before 2030, a similar triple-bottom-line analysis should be completed to inform potential directional decisions (relicense or decommission) associated with the Walterville project.

In addition, the Leaburg Decommissioning Action Plan (LDAP) should describe the approach for future Board oversight, identify key progress milestones, and highlight opportunities for directional alterations and decisions.

Preliminary discussions with staff from the FERC Division of Hydropower Administration and Compliance (DHAC), as well as a review of relevant decommissioning case studies, continue to indicate that the implementation of actual decommissioning work in the field is unlikely to occur prior to the early 2030s. To illustrate this expectation, an updated decommissioning process road map with projected timelines is included as an attachment to this memo.

LDAP Overview

The purpose of the LDAP is to provide an overarching plan and guidance for progressing toward the decommissioning of the Leaburg Hydroelectric Project. The LDAP will include high level work plans that EWEB will be implementing in the coming years but, importantly, the LDAP will not provide any details on the outcomes that those work plans will ultimately deliver. As such, the LDAP will not answer numerous detailed questions that have arisen in response to the Board's January 2023 decommissioning decision. For example, it will not provide detail on what various components of decommissioning will entail. Rather, the LDAP is intended to identify the important issues and provide a framework for how those issues will eventually be resolved in full detail.

The LDAP project team has identified key topics that will be addressed in the action plan. The following outline summarizes the topics that will be included in the document:

- Basis for Planning
 - Baseline assumptions and risks
 - EWEB's key outcomes for the decommission process
 - EWEB's approach to transparency during the planning process
 - Planned mechanisms for adapting to new information and updated guidance
- Leaburg-Walterville License Overview
 - Leaburg development
 - History and status
 - Current conditions
 - Investigative studies in progress
 - Near term risk reduction measures
 - Walterville development
 - History and status
 - Current conditions
 - Investigative studies in progress
- Regulatory processes Overview
 - Federal Energy Regulatory Commission (FERC)
 - Background
 - FERC Division of Dam Safety and Inspections
 - FERC DHAC
 - License Amendment or Surrender Processes
 - Potential Pathways (pros and cons)
 - Federal Power Act
 - National Environmental Policy Act (NEPA, FERC nexus)
 - Endangered Species Act (ESA, FERC nexus)

- National Historic Preservation Act (FERC nexus)
 - National Marine Fisheries Service (authority, process)
 - U.S. Fish and Wildlife Service (authority, process)
 - U.S. Army Corps of Engineers (authority, process)
 - Oregon Water Resources Department (authority, process)
 - Oregon Department of Fish and Wildlife (authority, process)
 - Oregon Department of Environmental Quality (authority, process)
 - Oregon Division of State Lands (authority, process)
 - Oregon Department of Parks and Recreation, State Historic Preservation Office (authority, process)
 - Oregon Department of Transportation
 - Lane County
- Stakeholder Engagement Strategies
 - Communication and outreach plan
 - Public (local community, customers, interest groups)
 - Non-governmental organizations
 - Tribes
 - Federal, state, and regional agencies
- Conceptual Design Development
 - Alternative decommissioning configurations and feasibility assessments
 - Cost refinements
- Studies and Data Collection
 - Transportation
 - Water rights
 - Water quality
 - Lake sediment
 - Aquatic species
- Property Management Strategies
 - Property and property easement acquisition
 - Property retention
 - Property release
- Partnership Opportunities
 - Funding opportunities
 - Coordination with agencies with mutual goals
- Financial Planning
 - Spending projection refinements
 - Funding approaches
 - Capital work
 - O&M expense work
- Staffing and Resource Planning
 - Internal resources
 - Consulting resources
- Timeline Projections and Key Milestones
 - Pre-application document and preliminary agency consultation
 - Non-federal representative designations
 - Studies and data collection
 - Conceptual designs
 - License surrender application
 - NEPA review processes
 - FERC Surrender Order
 - Detailed Design and Permitting
 - Decommissioning Implementation
 - Post-Decommissioning Reporting

- Board of Commissioners Involvement
 - Progress monitoring
 - Key decision points

The topics outlined above are inter-connected and will have many interdependencies that need to be identified during the development of the LDAP. Key interdependencies will be highlighted for ongoing monitoring and management throughout the decommissioning planning process.

As noted earlier, the LDAP will present important context and high-level work plans for the decommissioning effort, but it will not include the following:

- Confirmed regulatory path
- Detailed planning and scoping documents
- Detailed risk identification and mitigation planning
- Detailed schedule information
- Detailed budget information

Regulatory Process Observations Regarding Walterville

The Leaburg and Walterville Developments are jointly authorized under a single license from the FERC. Due to this situation, the most appropriate regulatory path forward will be influenced by the long-term operational plans for Walterville. The LDAP will outline options and processes for a license amendment to decommission Leaburg while continuing to generate at Walterville. It will also describe options and processes for a license surrender that would involve both developments.

To advance regulatory process decisions in a timely manner, it will be necessary to understand the likely future disposition of the Walterville Development. Although Board Resolution 2302 indicated that a strategic evaluation of Walterville could be completed any time prior to 2030, conducting the evaluation in 2024 will inform the regulatory process related to the decommissioning of Leaburg. Although EWEB intends to operate the Walterville Development at least through the current license term (2040), determining the preferred outcome for Walterville upon license expiration will position EWEB to work most efficiently through the regulatory process.

Board of Commissioner Involvement

A key component of the LDAP is to ensure the Board of Commissioners are sufficiently informed of progress, so they are positioned to offer input, ask questions, and provide guidance at important milestones. In addition to routine updates, staff will seek Board input on issues including, but not limited to:

- Regulatory process determination
- Walterville disposition at license expiration (relicense or surrender)
- Changes in key baseline assumptions
- Any unexpected, high-impact events

Conclusions

This correspondence provides an LDAP overview and describes key components that will be developed in the plan. The next status update will be at the Board meeting on August 1, 2023.

Requested Board Action

No Board action is requested at this time. Staff welcome any feedback on the LDAP approach and encourage questions.