

## Humboldt Working Group

March 4, 2010

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### Conference Call Summary

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#### **Introductions**

*Led by Anna West, Kearns & West (K&W) Facilitator*

#### **Project Updates**

*Led by Robert Blair, PG&E*

Robert Blair announced that Bill Toman, Project Manager, is no longer with PG&E, but will hopefully continue to work on the WaveConnect project in some capacity. Robert has been overseeing and working closely with Bill on the WaveConnect project over the past several months and will step in as the interim project manager while PG&E redefines staff roles. Robert wanted it to be clear that PG&E is still fully committed to the project and its success and the core PG&E project management and support team remains the same. Robert Blair will continue to oversee the project with Ian Caliendo, Brendan Dooher, and Don Price providing key support in agency relations, technology, and the environmental review, respectively.

#### **Fishermen's Agreement**

*Led by Robert Blair, PG&E*

PG&E considers this an important topic and is currently developing and getting internal sign-off on a proposal to discuss and refine with the fishing community. Robert could not offer a definite timeframe for when the agreement would be ready, but he confirmed PG&E's commitment to working out an arrangement with the fishing community.

Dave Bitts, Commercial Fisherman, raised his concerns, on behalf of the fishing community, that the project's initial five year license can be renewed with FERC indefinitely. He also expressed concern that PG&E would expand the project in size, since there are no written requirements limiting PG&E from doing so. The call attendees agreed to defer further discussion on this topic until Ken Hogan, Federal Energy Regulatory Commission (FERC), had reviewed the pilot project guidelines and timeframe.

Brendan Dooher, PG&E, shared that PG&E would look at 40 – 50 fathoms of water for a major wave energy facility since there is more energy in this deeper water. The current project is within state waters because PG&E is interested in a pilot project at this time, not a long term project. In response to a question on the lessons learned from the near-shore pilot and its ability to transfer knowledge to the more offshore, larger site by Maggie Herbelin, Humboldt Bay Stewards, Brendan further clarified that PG&E will learn a lot from this project that can help determine whether a wave project is appropriate in deeper waters. PG&E is already gaining knowledge through the current process since this project is one of the first of its kind in the world. Further, for a longer-term project with a longer payback period, it is possible to look at projects outside the 3 nautical mile (nm) line. Current funding and the short timeframe of the pilot project made leasing with

the US Minerals Management Service (MMS) outside the 3nm line impractical.

### **FERC Pilot Project Guidelines and the Duration of a Pilot License**

*Led by Ken Hogan, FERC*

Ken has heard two main concerns regarding this project: the duration of a pilot license and whether the project's physical boundaries can be expanded. According to FERC regulations, PG&E can request an amendment to the term and size of the project at any time. Depending on the specifics of the amendment, PG&E may have to go through an amendment process that could be tantamount to a new relicensing. There is no language in the current pilot project regulations stating that PG&E cannot amend the license or apply to relicense the project. The following clarifications were made regarding license guidelines:

- A public process is required in both cases of license amendments or relicensing. Depending on the extent of the proposed changes in an amendment, anything from a public comment period to a full NEPA and stakeholder process could be required.
- Strong concern was expressed on the impacts to this fishing/crabbing community.
- It was pointed out that it is not yet known if the project will have impacts or not.
- PG&E noted that if PG&E chooses to apply for an amendment to the license, PG&E would hold its own public involvement process.
- Both FERC and California State Lands Commission (CSLC) require their own public processes in the case of license amendment or relicensing.
- Any changes to the license would take an action before the CSLC.
- Concerns were raised that a public comment period won't necessarily change the project. From CSLC staff experience, there have been incidences where public comment has changed the outcome of a project.
- Some Humboldt Working Group (HWG) members want to have PG&E agree to not extend the duration of the project. Others did not want to limit the duration at this time.
- It was proposed that the HWG discuss ways to address uncertainties of the project. This could be in the form of a formal agreement with PG&E for license extensions, relicensing, or removal under certain situations. This will be further discussed at the upcoming April HWG meeting.
- The idea of a deposit to hold in case it is needed to mitigate economic or environmental harm should the project remain was raised.
- Steve Mindt, CSLC, shared that it is typical for his organization to bond for any structures put in to cover removal. He can explore whether damages can be added to that bond.
- The FERC pilot license stipulates that the project needs to be removed at the end of the license term.
- Ken Hogan, FERC, noted that FERC supports agreements among parties which can be a separate agreement with the licensee.
- PG&E expressed that it is difficult to predict what will happen in any project, but in this case expansion around the current site has not been considered. This is not a reassurance that it will not happen, but the expansion (of area or time) has not been considered because it does not seem to make commercial or technological sense at the given location.

The HWG agreed to further discuss this topic at the next HWG meeting, which was changed from April 6<sup>th</sup> to April 7<sup>th</sup>. This will still give adequate time to provide comments on the Draft Pilot License Application (DPLA) during its public comment period, which ends on April 30<sup>th</sup>, 2010.

Paul Siri, California State Coastal Conservancy, introduced the newly formed Ocean Protection Council's Marine Renewable Energy Working Group which may help this discussion.

### **PG&E Coordination and Agreements with Labor Unions**

*Led by Ian Caliendo, PG&E*

Recently, there has been media coverage regarding the transport of engines and generators for the Humboldt Bay Power Plant. An informational picket by the longshoremen's union raised concerns about labor on this WaveConnect project. PG&E has a strong track record with unions, including signing labor agreements on big projects and allowing unions to help develop scopes of work. Since the project design for this project is just now being developed, it is unclear what jobs will be needed. Given this, PG&E cannot commit to anything yet. PG&E's past behavior is an indicator of how it wants to work with unions and local labor, and two HWG members represent this perspective. If the skills are present, PG&E wants to use local labor.

Members of the HWG raised the idea of PG&E offering training programs to help build the needed skill sets for the project. The local community does not have easy access to skills training, so this would be well received. Alison Talbott, PG&E, shared that PG&E has a program that does this called Power Pathways. It has been rolled out at six or seven community colleges so far. Alison is talking with the Dean at the College of the Redwoods (CR) about bringing this program to campus. Alex Stillman, City of Arcata, clarified that another good contact at CR is Steven Brown, who runs the technology program.

### **Next Steps**

*Led by Anna West, K&W Facilitator*

- Since the CSLC has its bi-monthly meeting on April 6<sup>th</sup>, the HWG meeting has been rescheduled to April 7<sup>th</sup>, unless we hear strong objections from HWG members.
- A phone line will be available at this meeting for those who cannot attend in person.

### **Action Items**

<b>Action Item</b>	<b>Who</b>	<b>When</b>
1. HWG meeting changed to April 7, 2010.	1. K&W	1. ASAP, pending larger HWG members' feedback
2. Add HWG discussion on desired community goals/agreement with PG&E for the project.	2. K&W	2. April 7 agenda

3. Explore whether potential damages can be added to CSLC's bond for the project.	3. S. Mindt, CLSC	3. Before April 7, 2010
4. Share the progress of a Power Pathways program at the College of the Redwoods.	4. A. Talbott, PG&E	4. At the HWG April meeting

**Attendees**

Primary:

- Vicki Frey, California Department of Fish & Game
- Paul Siri, California State Coastal Conservancy
- Steve Mindt, California State Lands Commission
- Julie Fulkerson, City of Trinidad
- Dave Bitts, Commercial Fisherman
- Dave Meserve, Community-at-Large
- Ken Hogan, Federal Energy Regulatory Commission
- Maggy Herbelin, Humboldt Bay Stewards
- Mark Lovelace, Humboldt County
- Diane Ashton, National Marine Fisheries Service
- Dave White, National Marine Fisheries Service
- Rob Cozens, Resighini Rancheria
- Jim Zoellick, Schatz Energy Research Center
- Bill Lydgate, Surfrider Foundation, Humboldt Chapter
- Bill McIver, U.S. Fish & Wildlife Service

Alternates:

- Alexandra Stillman, City of Arcata
- Adam Wagschal, Humboldt Bay Harbor
- Dana Boudreau, Redwood Coast Energy Authority
- Scott Willits, Surfrider Foundation, Humboldt Chapter

PG&E:

- Robert Blair, PG&E
- Ian Caliendo, PG&E
- Brendan Doohar, PG&E
- Mike Gunby, PG&E
- Gina Morimoto, PG&E
- Don Price, PG&E
- Alison Talbott, PG&E
- John Whittaker, PG&E

PG&E WaveConnect Consultants:

- Doug Davy, CH2M HILL
- Sharon Kramer, H.T. Harvey
- Aarty Joshi, CH2M Hill
- Rick Williams, SAIC
- Emily King Teraoka, Stillwater Sciences

Public:

- Kathryn Kempton, National Marine Fisheries Service
- Pete Stauffer, Surfrider Foundation, Humboldt Chapter

Facilitators:

- Anna West, Kearns & West
- Briana Moseley, Kearns & West
- Christine Lim, Kearns & West