

Humboldt Working Group

April 7, 2010

Meeting Summary

Introductions

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

Project Updates

Led by Anna West, K&W Facilitator

The following updates were given and discussed:

- Robert Blair, PG&E, gave an update on the changes in management for the project. He explained that he has been overseeing and working closely with Bill Toman on the WaveConnect project over the past several months and will step in as the interim project manager while PG&E redefines staff roles. Bill Toman is now working as a consultant to the project through CH2M HILL and will continue working on all aspects of the project including licensing/permitting, stakeholder involvement, and WEC selection. Ian Caliendo, Brendan Dooher, and Ed Cheslak and Gina Morimoto will continue as key support in agency relations, technology, and the environmental review, respectively.
- An update was given on the progress of the HWG Permitting Authority Subcommittee. The subcommittee continues to meet regularly and is currently reviewing the Monitoring and Adaptive Management Plans (M&s) for the project. Vicki Frey, California Department of Fish and Game (CDFG), shared that the M&s are still in draft form and the subcommittee is continually modifying them. PG&E will be filing revisions to the plans with Federal Energy Regulatory Commission (FERC) as additions to the DPLA. Steve Mindt, California State Lands Commission (CSLC) reiterated that once the subcommittee has reviewed the M&s, the HWG and the public will then have a turn to review the plans to ensure they address local needs and interests. Ed Cheslak, PG&E, clarified that PG&E will try to submit the revisions to the M&s with FERC before the formal comment period is up, however, all should keep in mind that these plans will be going through continuous revisions up to the filing of the Final Pilot License Application (FPLA) and there is plenty of time for folks to comment beyond the formal FERC comment period which ends on April 30th.
- An update was given on the next steps of the formal environmental review process. FERC and CSLC will be hosting a joint public meeting in Eureka on June 9th. This meeting marks the beginning of the official National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) review period. An onshore site visit is planned for June 8th as well. These meetings will be officially noticed on the FERC website.
- An update on communications between PG&E and the commercial fishing community was given by Ian Caliendo, PG&E. He shared that they are continuing conversations. PG&E is aware that the commercial fishing community is concerned that the project site will expand and PG&E would like to give assurances that this will not happen. PG&E is looking into a fair economic way to address impacts to the fishing community. Aaron Newman clarified that the

- fishing community looks forward to addressing the area that will not be available for fishing where the WECs will be located as well as transit issues. Aaron mentioned that in addition to the area where the WECs are actually located, there will need to be a 50 to 60 yard buffer zone since crab pots can move. PG&E clarified that a buffer zone is included in the ½ mile by 2 mile area.
- PG&E shared that since the last HWG meeting the fishing community has expressed that the current site is not optimal. Given this, PG&E would like to propose moving the site to directly offshore of the onshore landing site. Aaron Newman, President of the Humboldt Bay Fishermen's Marketing Association, shared that a majority of the fishermen would like the project to be located directly offshore of the submarine cable landing site as well. Maggy Herbelin, Humboldt Bay Stewards, shared that the recreational sailing community would like the project moved further offshore. Larry DeRidder, Humboldt Area Saltwater Anglers (HASA), shared that the recreational fishing community would like the project moved as far north as possible to minimize interaction between recreational fishermen and the project. The Surfrider Foundation, Humboldt Chapter representatives expressed that a more northerly project site is preferred, but moving the site south may be acceptable as long as there is adequate monitoring of wave shape/size/height and a response plan in place. There is greater concern by the surfing community if the license term is longer; they need more assurances if it's a longer operation. It was agreed that a siting subcommittee should be formed to further discuss this topic.
 - PG&E clarified the current considerations on deciding between five years of operation, with two years of engineering and construction, and one year of decommissioning (an eight-year license term) or 10 years of operation, with two years of engineering/construction and one year of decommissioning (a 13-year license term). It was asked if the money saved by moving the ocean site south and saving the cable helps save enough money to make a shorter license term possible. PG&E explained that moving the site south would be helpful, but the longer length of operation enables amortization of the costs over a longer timeframe. More economic information has been collected in recent months and it appears as though it may be difficult to only operate for five years.
 - Pat Higgins clarified his recent remarks about the WaveConnect project. He conveyed his strong interest in having a renewable energy project in Humboldt. He understands and has heard that there's strong support for this project. Pat wants to be sure that the crab fishing community's interests are fairly addressed in this effort. They're a significant part of the Humboldt community; they've been hit hard with salmon fishing closures and other impacts, and given that this project is in the middle of prime crab fishing grounds he wants to be sure that their needs are addressed. He also supports longer term pursuit of further offshore for wave energy, and encourages us all to involve MMS now so they can adjust their leasing policy from the oil industry to this early stage wave industry.
 - The following HWG member changes were announced to the group:
 - It was announced that Tom Hofweber, County of Humboldt, Supervising Planner is replacing Jacqueline Debets as an economic/business representative on the HWG. Tom Hofweber was introduced to the group.
 - Pat Higgins announced that John Powell is replacing Adam Wagschal as the Humboldt Bay Harbor, Recreation and Conservation District's alternate on the Humboldt Working Group (HWG). John Powell brings harbor experience as the harbor pilot which will be helpful for this effort;

he was introduced to the group. Adam Wagschal is available as a resource, if needed.

Review of Project Schedule

Led by Anna West, K&W Facilitator

The project schedule was reviewed. PG&E shared that the duration of the project is still unknown for several reasons, including: cost of WECs, incentives and cost to WEC manufacturers, the cost per kilowatt-hour that the California Public Utilities Commission (CPUC) will accept, etc. The following points about the project were discussed and clarified:

- It was clarified that the goal of this project is to take the next step toward making wave energy a commercially competitive renewable source of energy. This project will be R&D, and through this effort we will determine the feasibility of the technology and the potential for future commercialization.
- It was clarified that PG&E is not funding this project. The funding to date has been provided by the CPUC and the U.S. Department of Energy (DoE). It is not clear where future funding will come from for the project. Some of the costs will be born by the WEC manufacturers, and some presumably would be passed on to PG&E ratepayers.
- It was clarified that the CPUC evaluates this early stage, high cost wave project in the context of other projects and associated costs. The CPUC will determine if the costs are warranted and can be passed on to the ratepayers.
- It was clarified that the capital costs (infrastructure, etc), the cost to operate the project, and the costs to decommission the project are expensive and largely unknown.
- It was clarified that if PG&E is granted a license for the project and later decides to change the project description (for example, different WEC devices not originally licensed), PG&E would have to go through an entirely new public review and permitting process.
- Concerns were expressed on the license term/operation period, and on understanding the economics of the project.
- PG&E clarified that a longer license term (and operation period) of the project would help to amortize the capital cost of the project.
- It was clarified that if the project operates for a longer license term, then the agreement developed with the fishing community would address this additional time.
- It was clarified that it appears to be a state decision (CPUC) on how much the state is willing to pay to have green energy. The cost to the fishermen needs to be addressed by the project; if the project needs the longer operation time then let's make it work for the project and the fishing community.

Draft Pilot License Application (DPLA) Discussion

Led by Anna West, K&W Facilitator

PG&E shared that they are now planning on filing the FPLA toward the end of the year, most likely in December 2010. The deadline to file formal comments with FERC on the DPLA is April 30th. There will be another formal comment period once the FPLA is filed. The purpose of the HWG is to provide input so that the FPLA reflects the interests of the community.

- It was clarified that PG&E applied for a five-year operation period in the DPLA; PG&E will make a final decision and the FPLA will include the operation period/license term needed.
- It was clarified that if PG&E chose to amend or extend the license at the end of the term, the project infrastructure would most likely stay in place while the amendment or extension is pending.
- FERC asked that public comments on the DPLA be framed as recommendations which aim to alleviate concerns about the project.
- PG&E clarified that the project description and the 1000 page DPLA is a product of the HWG discussions. It was clarified that the HWG will continue to discuss the project and make revisions to inform the development of the FPLA.
- It was clarified that this project is considered an R&D project by PG&E. Briannon Fraley, Wiyot Tribe, requested that PG&E conduct consultation with the tribes; she's concerned that PG&E asked to waive this responsibility. Ken Hogan, FERC, explained that this request will not be granted; tribal consultation will be required. Briannon also asked why the Bear River and Blue Lake tribes were not included in the letter sent by FERC. Ken explained this was an oversight; he looks forward to getting information on these tribes to include them. Briannon also clarified the public comment is different than formal consultation with the tribes.
- It was clarified that the CSLC does require bonds to address restoring lands back to their original condition, however the CSLC cannot hold bonds for private losses such as the potential fishing community impacts. PG&E will be required by CSLC to post a bond for restoring the environment to its original condition once the project is removed.
- It was clarified that PG&E is considering a project term in the range of five to ten years of operation. Stakeholders asked if the project term can be somewhere in between – for example seven years, not only five or 10 years of operation. PG&E agreed that this is possible.
- The group discussed future meetings for the HWG. Ian explained there are two future meetings planned; the group suggested that having a meeting after WEC device manufacturers are selected would be helpful, as well as having a meeting prior to filing the FPLA to provide HWG input on topics of key concern. It was also discussed that having conference calls on relevant topics between meetings may be appropriate. The group discussed September for the WEC meeting and late fall for the pre-FPLA meeting.
- Additional discussion occurred to explore and better understand the project economics.
- Stakeholders expressed appreciation for the process and the HWG, and acknowledged that the project needs to move forward and make progress, understanding that it might not satisfy all stakeholders, but acknowledging that stakeholders have other avenues in which to participate.

Action Items

Action Item	Who	When
1. Pat Higgins will send the Crab Eco-Trust map to the HWG	1. Pat Higgins, Humboldt Bay Harbor, Recreation and	1. ASAP

	Conservation District	
2. FERC and Wiyot tribe to set up a meeting to discuss formal consultation.	2. Briannon Fraley, Wiyot Tribe and Ken Hogan, FERC	2. ASAP
3. PG&E to convene an HWG Siting Subcommittee.	3. Ian Caliendo, PG&E	3. Before April 23, 2010
4. PG&E to work with the commercial fishermen to identify a clear counterparty for an agreement, and to develop an agreement.	4. Ian Caliendo, PG&E	4. ASAP

Attendees

Primary:

- Rob Cozens – Resighini Rancheria
- Briannon Fraley – Wiyot Tribe
- Aaron Newman – Humboldt Fisherman’s Marketing Association
- Larry DeRidder – Humboldt Area Saltwater Anglers (HASA)
- David Bitts – Pacific Coast Federation of Fishermen’s Associations (PCFFA)
- Bill Lydgate – Surfrider Foundation, Humboldt Chapter
- Maggy Herbelin – Humboldt Bay Stewards
- Pete Nichols – Humboldt BayKeeper, North Coast Environment Center
- Patrick Higgins – Humboldt Bay Harbor, Recreation and Conservation District
- Tom Hofweber – County of Humboldt, Supervising Planner
- Ron Cochran – International Brotherhood of Electrical Workers (IBEW)
- Dave Meserve – Community-at-Large
- Julie Fulkerson – City of Trinidad
- Mark Lovelace – Humboldt County 3rd District Supervisor
- Jeff Leonard – City of Eureka
- James Howard – HSU College of Natural Resources and Sciences
- Dana Boudreau – Redwood Coast Energy Authority
- Jim Zoellick – HSU Schatz Energy Research Center
- Vicki Frey – California Department of Fish and Game
- John Dye – California State Lands Commission
- Steve Mindt – California State Lands Commission
- Ken Hogan – Federal Energy Regulatory Commission (*by phone*)
- Diane Ashton – National Marine Fisheries Service
- David White – National Marine Fisheries Service (*by phone*)
- Bill McIver – U.S. Fish and Wildlife Service

Alternates:

- Milton Boyd – HSU Department of Biological Studies
- Colin Sheppard – HSU Schatz Energy Research Center
- John Powell - Humboldt Bay Harbor, Recreation and Conservation District
- Scott Willits – Surfrider Foundation, Humboldt Chapter

PG&E:

- Robert Blair, PG&E

- Erika Brand, PG&E (*by phone*)
- Ian Caliendo, PG&E
- Ed Cheslak, PG&E
- Brendan Doohar, PG&E
- Gina Morimoto, PG&E
- Alison Talbott, PG&E

PG&E WaveConnect Consultants:

- Doug Davy, CH2M HILL
- Bill Toman, CH2M HILL
- Sharon Kramer, H.T. Harvey & Associates
- Jeff Jacobsen, H.T. Harvey & Associates
- Travis Schneider, Pacific Affiliates
- Rick Williams, SAIC
- Patrick Kaspari, Winzler & Kelly

Public:

- Elizabeth Mitchell, Fishermen Interested in Safe Hydrokinetics, Mendocino County (*by phone*)
- Dillon, College of the Redwoods
- Ashley Peterson, College of the Redwoods

Facilitators:

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