

Stakeholders optimistic in spite of obstacles

Agreement negotiations were wrapped up Tuesday

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Is this a blueprint for removing dams?

That's what James Honey said people are asking him about the recently released Klamath River dam removal agreement.

The program director for the environmental group Sustainable Northwest tells them "no."

"This is a model to deal with complex, intractable problems," he said, nodding to others around the table. He was acknowledging the work of a variety of stakeholders, representing diverse and disparate interests.

A group — including representatives for PacifiCorp, the state, irrigators, environmentalists and tribes — met with Herald and News staff members Wednesday. Spokesmen traveled the region Wednesday talking up the dam removal agreement, which calls for study and eventual removal of the four lower Klamath River hydroelectric dams owned by PacifiCorp. Stakeholders wrapped up negotiations about the agreement Tuesday afternoon and are making all details available to the public.

The agreement will be vetted by stakeholder groups, which then will vote whether to support the document.

The dam removal agreement is part of the broader Klamath Basin Restoration Agreement, which seeks to resolve issues of water supplies, adjudication and quality, as well as power, environmental regulations, tribal lands and other issues. Among the items covered in the hydro agreement are studies on removal, how dams are operated until demolition, funding for removal and liability issues.

Stakeholders acknowledged there are potential stumbling blocks, but are optimistic.

"We're going to tackle those challenges as aggressively (just) as we have everything to date," said Craig Tucker, spokesman for the Karuk Tribe of California.

According to an executive summary provided by the stakeholders, the agreement covers several key areas:

Interim measures

The U.S. Interior secretary is charged with using scientific studies regarding sediment buildup behind dams, water quality and other issues to finally determine the feasibility of dam removal. The costs of removal will also be evaluated.

The secretary is to make a final decision by March 31, 2012. If the secretary decides against removal, stakeholders will be informed before the decision is final and will have the opportunity to amend the agreement to continue with dam removal.

Federal legislation implementing the dam removal agreement and KBRA would need to be implemented before the secretary makes a decision.

PacifiCorp will continue to have annual licenses to operate the dams until their removal but is to protect the Klamath River and its tributaries during that time.

Dean Brockbank, PacifiCorp vice president and general counsel, said while the company has relicensed dams in the past, it became apparent in talks with the governors of California and Oregon and U.S. Department of the Interior officials that they wanted the dams removed.

“Once PacifiCorp was able to get our arms around that concept, we were able to shift the paradigm from the relicensing framework to a settlement framework that would work in the best interest of our customers,” he said.

Transfer and removal

If removal is found to be feasible, PacifiCorp will transfer dam ownership to the federal government. The federal government will appoint a public or private entity to begin, no later than 2020, to remove the dams.

Removal will be paid for with \$200 million collected from PacifiCorp’s Oregon and California customers with another \$250 million possible through a bond issue by California. No federal dollars will go toward dam removal.

To replace the hydro power, PacifiCorp will begin planning out what its energy needs will be and what sources it can obtain. Brockbank said the company has put in wind turbines in the last three years that generate 10 times the energy of the dams.

Mike Carrier, natural resources policy adviser to Oregon Gov. Ted Kulongoski, said the company stepped up in the dam removal agreement when they had no obligation to do so, resulting in energy project collaboration with irrigators and eventual improved salmon runs for the river and tribes.

Greg Addington, executive director of Klamath Water Users Association, said the important issue for irrigators regarding dams was the preservation of Keno Dam for irrigation purposes. Keno Dam would be transferred to the Department of the Interior to maintain its use for irrigation.

“We’ve gone along in good faith,” he said. “Now you see those commitments in writing, you see it on paper.”

Liability

PacifiCorp will be protected from any liability regarding dam removal but will retain liability stemming from continued operation of the dams up until removal.

Brockbank said customer protection from sharp rate increases and liability were a major concern in the dam removal talks, and the company is not in the business of removing dams.

Relicensing the dams did not appear to be the best approach, he said, based upon the expected stringent flow and water quality requirements the dams would be subject to, along with hundreds of millions of dollars needed to install improved fish screens and fish ladders.

“The uncertainties and risks associated with that approach doesn’t allow us to adequately quantify what kind of revenues and power availability we’d have,” he said.

Some potential stumbling blocks

Karuk Tribe spokesman Craig Tucker said the requirement of having the Interior secretary approve dam removal could be problematic, but said preliminary studies and reports make it a feasible action. There’s also the potential to return to the table and rework the agreement in case the secretary finds dam removal inappropriate.

The possible need to secure bonds from the state of California could be problematic. The last bond election failed, but the state is in desperate need of improved water infrastructure, and the Klamath’s issues seem small compared to water concerns elsewhere in the state.

Finally, legislation could take time to get through Congress but is possible.

“We think we have the political horsepower to move big pieces of legislation,” he said.

The alternative

PacifiCorp vice president and general counsel Dean Brockbank acknowledged dam removal was not PacifiCorp’s first choice, but asked what better alternative was available to the company if it wanted to preserve lower costs, lower risks and more certainty, which the dam removal agreement secures.

“That’s why we’re behind this effort 100 percent, and we’re behind the linkage to the Basin restoration agreement 100 percent, because we understand that a collaborative approach, where uncertainties are identified and we try to fix them up front, is preferable to decades more of litigation and infighting and other problems we’ve all faced in the Basin,” he said.

Brian Barr, habitat restoration project manager for the National Center for Conservation Science & Policy, said that while some may still oppose dam removal and the KBRA, more have come around.

“What’s perfect about the agreement is that all the parties that sat at the table can live with it,” he said.

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