

June 23, 2020

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

**Re: Goldendale Energy Storage Project, FERC Project No. 14861;
Submission of Final License Application and Request for Expedited Licensing Process**

Dear Secretary Bose:

FFP Project 101, LLC (Applicant) is pleased to file with the Federal Energy Regulatory Commission (Commission or FERC) the enclosed Final License Application (FLA) for an original license for the Goldendale Energy Storage Project (FERC No. 14861) (Goldendale Project or Project). As comprehensively detailed herein, the Goldendale Project is an off-stream, closed-loop pumped storage project that qualifies for expedited treatment under section 35 of the Federal Power Act (FPA),¹ recently enacted by Congress as part of the America's Water Infrastructure Act of 2018 (AWIA).² To the Applicant's knowledge, this FLA is the first opportunity for the Commission to utilize the FPA Section 35 expedited procedures, and this request is strongly supported by many licensing participants, as demonstrated in letters filed with the Commission and in FLA Appendix M.

Project Description: Immense Benefits to the Public, Energy Storage, and Climate

As described in the FLA, the Project will be primarily located in Klickitat County, Washington, offering 1,200-megawatt capacity of clean, renewable, carbon-free energy storage.

In 2019, Washington State passed legislation joining three other states mandating that all of its electricity come from carbon-free sources by midcentury. Intermittent renewables on the grid already have the potential to create gigawatts of overgeneration and are being curtailed due to the existing system's limited flexibility and storage. Without utility-scale storage to solve the operational challenges of integration, Washington, Oregon, and California cannot achieve carbon reduction and environmental policy goals reliably and cost-effectively.

Of the viable, least-cost energy storage options available, pumped storage is the best-proven, least-cost energy storage technology at scale. The proposed Goldendale Project will store energy by letting water purchased from Klickitat Public Utility District (KPUD) flow downhill through the turbines, producing electricity at peak times, and then pump it back uphill, refilling the reservoir and renewing the energy source during low-use times. The Project would be effectively "recharged" and the same water used to generate and store new energy. The process would not consume water to recharge and has no carbon emissions, making it an environmentally responsible source of energy storage.

¹ 16 U.S.C. § 823f.

² Pub. L. No. 115-270, § 3004, 132 Stat. 3765, 3865 (2018).

Recognizing these immense benefits of closed-loop pumped storage, Washington Governor Jay Inslee signed into law on March 18, 2020, legislation elevating the status of the Goldendale Project to a project of statewide significance. The Governor and state legislature found that Washington is a national leader in the transition to 100 percent clean electricity, and that this Project will facilitate the transition to Washington's clean energy future.

Qualification for Expedited Licensing Process

Congress recognized these unique attributes of closed-loop pumped storage projects when enacting AWIA less than 2 years ago. Under the new Section 35 of the FPA created under AWIA, the Commission is authorized to extend expedited treatment to qualifying closed-loop pumped storage projects. The Goldendale Project easily meets the criteria established by Congress and the Commission, in its regulations implementing AWIA. FPA Section 35(g)(2) directed the Commission to establish criteria to determine a project's eligibility for the expedited process, including that it:

- (A) cause little to no change to existing surface and groundwater flows and uses; and
- (B) is unlikely to adversely affect species listed as a threatened species or endangered species under the Endangered Species Act of 1973.

Section 35(g)(2) directed the Commission to establish qualifying criteria, and in accordance with this directive the Commission's regulations require that a closed-loop pumped storage project qualifies for the expedited licensing procedures if it:

- (i) Cause little to no change to existing surface and groundwater flows and uses;
- (ii) Is unlikely to adversely affect species listed as a threatened species or endangered species, or designated critical habitat of such species, under the Endangered Species Act of 1973;
- (iii) Utilize only reservoirs situated at locations other than natural waterways, lakes, wetlands, and other natural surface water features; and
- (iv) Rely only on temporary withdrawals from surface waters or groundwater for the sole purposes of initial fill and periodic recharge needed for project operation.³

Here, the Project meets Criterion (i) because it consists of an off-stream, closed-loop pumped storage project that will involve no river or stream impoundments and will not cause any change to existing surface or groundwater flows or uses.

With regard to Criterion (ii), the FLA establishes that the Project is unlikely to adversely affect federally threatened or endangered species or their designated critical habitat under the Endangered Species Act. The Project will have no impact on listed fish species and is unlikely to affect federally listed wildlife that may occur in the Project area. No federally listed species have designated critical habitat within the Project boundary, and no federally listed plant species has the potential to occur within the Project area. Nevertheless, the Applicant has identified impact avoidance and minimization measures, including Best Management Practices, that will be incorporated into the design/pre-construction, construction, and operational phases of the Project to avoid and/or minimize impacts to any threatened or endangered species or habitat.

Criterion (iii) is met because both the lower and upper reservoirs will be situated north of the Columbia River at locations other than natural waterways, lakes, wetlands, and other natural surface water features.

³ 18 C.F.R. § 7.1(c)(3).

Criterion (iv) is met because, as discussed above, the initial fill water, as well as periodic make-up water, will be purchased from KPUD using a KPUD-owned conveyance system and municipal water right.

Finally, as the Commission is aware, the Applicant has significant experience in successfully trailblazing new, expedited licensing procedures before the Commission. Under the pilot program for 2-year licensing for non-powered dams required by Section 6 of the Hydropower Regulatory Efficiency Act of 2013,⁴ the Applicant was the only developer to successfully qualify for, and obtain, a license under the pilot program.⁵ While successful experience is not an express criterion under FPA section 35 and the Commission's implementing regulations, the Applicant is confident that this prior experience is highly relevant to the Commission's determination here, as it demonstrates Applicant's ability to work with Commission staff, regulators, Indian tribes, and other licensing participants to ensure success of Congressional mandates.

Other Public Benefits

In considering this FLA, the Commission and licensing participants also should consider the immense environmental impacts that will be avoided at this Project. A closed loop pumped storage project like the Goldendale Project does not have the operational and environmental influences on a river system often associated with conventional hydropower projects. Here, the Project will be free to start, stop, reverse, and fluctuate as needed by the power system without impacting non-generation objectives such as aquatic species protection, flood control, navigation, irrigation, or recreation.

Other significant benefits are directly associated with this Project. Development of the Goldendale Project will assist with the cleanup of a portion of the former Goldendale Aluminum Smelter site. It will create more than 3,000 jobs during construction of the facility and approximately 100 local jobs during Project operation. Finally, as described in the FLA, based on economic modeling, the Goldendale Project could save regional ratepayers hundreds of millions of dollars annually in cost savings and revenue because of its ability to provide reliable, carbon-free electric generation during times of peak demand, thus decreasing the need to curtail solar and wind generation, as well as its unique ability to provide grid-level energy storage.

Filing, Distribution, and Public Review of FLA

Concurrent with this filing, Applicant is emailing/mailing a copy of this letter to all parties listed on the attached distribution list. A copy of the public portions of the FLA may be obtained electronically through FERC's eLibrary system at: <https://www.ferc.gov/docs-filing/elibrary.asp> under docket number P-14861. In addition, a copy of the publicly available portions of the FLA may be obtained through Applicant's website at: <https://www.ryedevelopment.com/projectstor/goldendale-washington/>.

Applicant is also delivering a complete hardcopy of the FLA to:

FERC's Portland Regional Office;

FERC's Office of General Counsel—Energy Projects; and

FERC's Office of Energy Projects.

In accordance with 18 CFR § 4.32(b)(4), the Applicant is required to make the FLA available to be reviewed during normal business hours at a public location, such as a library. In a notice issued on March 19, 2020, and supplemented on April 2 and May 8, FERC stated that, due to the Novel Coronavirus Disease (COVID-19), it will waive, among other things, its "regulations that govern the form of filings submitted to the Commission to the extent entities are unable to meet those requirements due to the emergency

⁴ Pub. L. 113-23, § 6, 127 Stat. 493 (2013)

⁵ See generally Federal Energy Regulatory Commission, Report on the Pilot Two-Year Hydroelectric Licensing Process for Non-Powered Dams and Closed-Loop Pumped Storage Projects and Recommendations Pursuant to Section 6 of the Hydropower Regulatory Efficiency Act of 2013 (2017).

conditions caused by COVID-19.” Due to the ongoing “stay home” orders in place in both Oregon and Washington, Applicant requests a waiver of Section 4.32(b)(4) pursuant to the notices issued by the Commission on March 19, April 2, and May 8. Additionally, it is not necessary to make the FLA available in a public library as it will be accessible via the Applicant’s website.

In accordance with 18 CFR § 4.32(b)(6), Applicant will publish public notice of the filing of the FLA in an appropriate newspaper and file a copy of this notice with the FERC upon publication.

Conclusion

The Applicant looks forward to working with Commission staff, federal and state regulators, tribes, and other licensing participants in implementing a successful and collaborative expedited licensing process under Part 7 of the Commission’s regulations. Should you have any questions regarding this request for expedited review or the FLA itself, please do not hesitate to contact me by email at erik@ryedevelopment.com.

Sincerely,



Erik Steimle
Portland, Oregon
erik@ryedevelopment.com