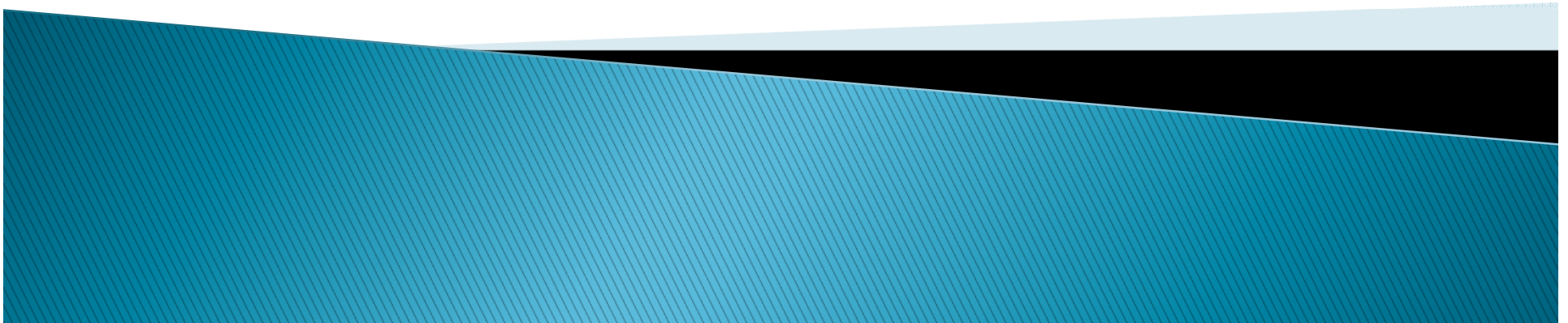



Idylwilde Hydroelectric Project Relicensing & Permitting Update

Loveland Utilities Commission
August 14, 2013



The City of Loveland faces a decision

- ▶ Relicense and refurbish
OR
Surrender the license and decommission
- ▶ Either choice will require months of permitting, design and construction
- ▶ Either choice will cost roughly \$6 million
- ▶ Decision must be made this fall to allow for compliance with the federal schedule



Note: The cost estimates are based on current engineering estimates for decommissioning and relicensing. The estimates are comparable and valid for decision making purposes. The actual costs may vary from the estimates based on bids received at the time the decision is implemented.

No Simultaneous Paths

- ▶ Federal Energy Regulatory Commission (FERC) states that the City cannot formally pursue both relicensing and decommissioning (license surrender) simultaneously.
- ▶ Staff has and continues to summarize information for city decision makers to be presented at the following public meetings. Dates are driven by the need to complete a relicensing process by March 8, 2016, so as to maintain continuity of compliance:
 - Meetings with potentially affected parties (August through October)
 - USFS meeting with staff and consultant discussing preferred options
 - Parks & Recreation Commission (September 12, 2013)
 - Loveland Utilities Commission (September 18, 2013)
 - Loveland Utilities Commission (October 16, 2013)
 - Study Session at City Council (October 22, 2013)
 - Consideration/decision by City Council (November 5, 2013)



Info in Aug 14, 2013 LUC Packet

- ▶ Attachment A: Background on Idylwilde Project
- ▶ Attachment B: Relicensing Scenario
- ▶ Attachment C: Decommissioning (license surrender) Scenario
- ▶ Attachment D: Project Photo Journal (June 4, 2013)
- ▶ Attachment E: Notice of Intent with
Identified Agencies and Stakeholders



Attachment A: Background on Idylwilde Project

- ▶ The project was reconstructed as follows:
 - (1) a concrete gravity type diversion dam, 238 ft by 42.5 feet
 - (2) a reservoir forebay containing 45 acre-feet of water;
 - (3) a 36-inch diameter penstock pipeline 9,534 feet long;
 - (4) a powerhouse containing the two 450 kw generating units;
 - (5) a 24-kv transmission line 1,055 feet long; and
 - (6) appurtenant facilities.
- ▶ The current FERC license and USFS easement both expire on March 8, 2016.
- ▶ The City set up a website with various documents, including the notice of intent letter and PAD. The site can be found here:
“Idylwilde Hydro Facility Relicensing”
<http://www.cityofloveland.org/index.aspx?page=555>
- ▶ Additional reports by consultants regarding dam and powerhouse



Attachment B: Relicensing Scenario

- ▶ Current state safety requirements are not met for some loading conditions on the dam.
- ▶ Need to rehabilitate existing turbines or install new turbines.
- ▶ Costs of meeting current state requirements for the dam and rehabilitating the power system range from \$5 Million to \$6 Million, depending on the option.
- ▶ These costs would be incurred under a relicensing option. Costs would be offset by power generation benefits, but over a relatively long period of time.
- ▶ These costs and the expected economic benefit have caused the City to seriously consider the option of decommissioning the project (license surrender).



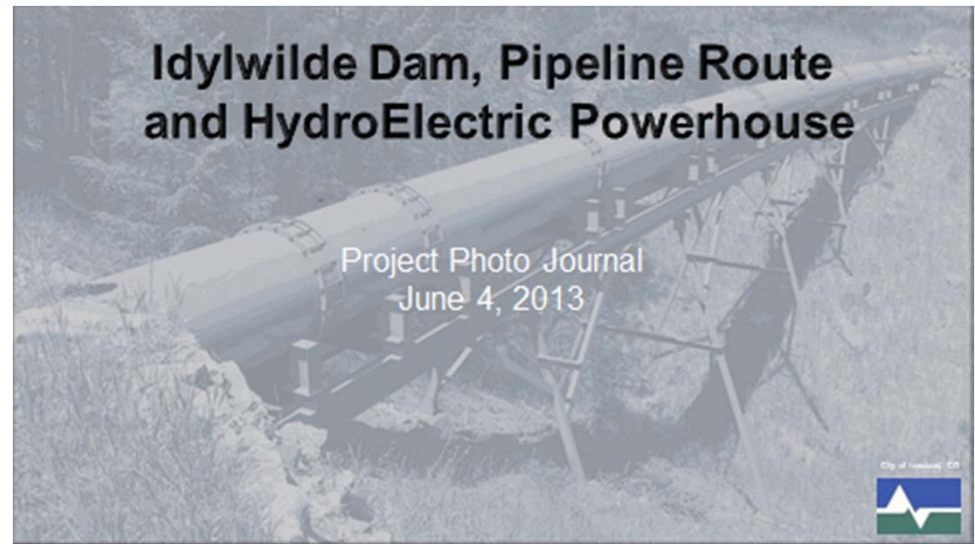
Attachment C: Decommissioning (license surrender) Scenario

- ▶ Dam removal required. Partial dam removal estimated to cost \$3 million; complete dam removal estimated to cost \$3.6 million.
- ▶ Disposition of sediments behind dam and site restoration. The cost of sediment removal and dam site restoration could be approximately \$1.0 million with complete sediment removal.
- ▶ Disposition of pipeline. All above ground piping would be removed. Degree of removal for below ground piping increases the total cost. (Cost unknown at this time.)



Attachment D: Project Photo Journal (June 4, 2013)

- ▶ Tour of the project, starting at the dam, and walking along the pipeline
- ▶ Includes images of possible restorations
- ▶ Many photos superimposed on map



Attachment E: Notice of Intent with Identified Agencies and Stakeholders

- ▶ Feb 7, 2011 letter sent to Federal Regulatory Energy Commission, with copies to:
 - 16 state/federal governmental agencies
 - 6 tribes
 - 3 counties
 - 8 municipalities
 - 5 water / sewer providers
 - 11 ditch companies
 - 45 interest groups
 - 20 private landowners



Discussion Questions

- ▶ Are there other stakeholders who should be contacted and included in the process?
- ▶ What other information would you like to review to assist in making a recommendation?

