

# FERC Relicensing of the Oroville Dam

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THE LEAGUE OF WOMEN VOTERS

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# Background/History - The Oroville Project

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- Oroville Dam – 770 foot high earthen dam located less than two miles from City of Oroville
  - It's the tallest dam in the United States.
- Project focuses on:
  - Managing water supply
  - Flood control (downstream)
  - Hydroelectricity

# Background/History - The Oroville Project

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- Water supply - Project supplies water to irrigate 755,000 acres in San Joaquin Valley and supplies municipal water to over 25 million people.
- Flood control – Project is required to maintain 750,000 acre feet (a fifth of its capacity) in the winter and early spring for flood control. Flood control assists communities downstream. Project has created a higher flood hazard in Butte County.
- Hydroelectricity – “DWR” operates and licenses the 762 megawatt Oroville Hydroelectric Project, which generates over 2.2 billion KW hours/year which it uses to pump water throughout the system and sells.

DWR is seeking a 50 year renewal of license from the Federal Energy Regulatory Commission (“FERC”) – license expired in/around 2007.

# Butte County - Before Oroville Dam

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- Big Bend Power Plant- opened in 1908, then the largest hydropower project west of the Mississippi. (70,000 KW/year.)
- Big Bend's hub was the City of Las Plumas, which now lies underneath Lake Oroville.
- Butte County received half a million dollars in taxes (property and sales) per year from Big Bend Facilities.
- Butte County received property tax revenue 41,000 acres of land.
- FERC 1994: "Farms, mines, homes, schools, roads, and trails of a 'golden historical past' were inundated."

# Oroville Facilities' First License

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- DWR's original license application: "Provision will be made to make payment for or replace improvements destroyed or injured by the proposed works."
- No such "provision" has ever been given for the:
  - Loss of revenue from Big Bend;
  - Loss of property tax revenue; or
  - Any other costs associated with the project.

# Building of Oroville Dam and Initial License – Promises Made

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- Jobs to be generated
- Economic development – and more jobs
- Robust recreation
- Low cost energy for residents
- Maintenance of roads for recreation and access to Lake Oroville (Craig Access)
- Promise of over 1,000,000 tourists on average per month
  - Annual number of tourists actually about is about 1,700,000 per year

# Building of Oroville Dam and Initial License – Promises Made

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- Expansive efforts to enhance tourism:
  - Lodge
  - Railroad (Monorail to Kelly Ridge)
  - Tram
  - Visitor Center with restaurant (capacity of 250/snack bar additional 100)
  - Tours of the Power Plant with Bus service to and from train

# Lake Level – Impacts on Recreation

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# Lake Oroville Water Level October 2009

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# Lake Oroville Water Level October 2014

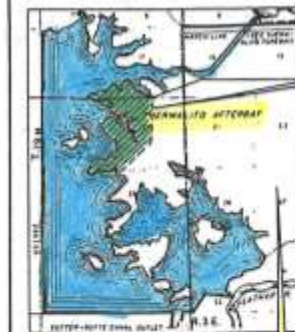
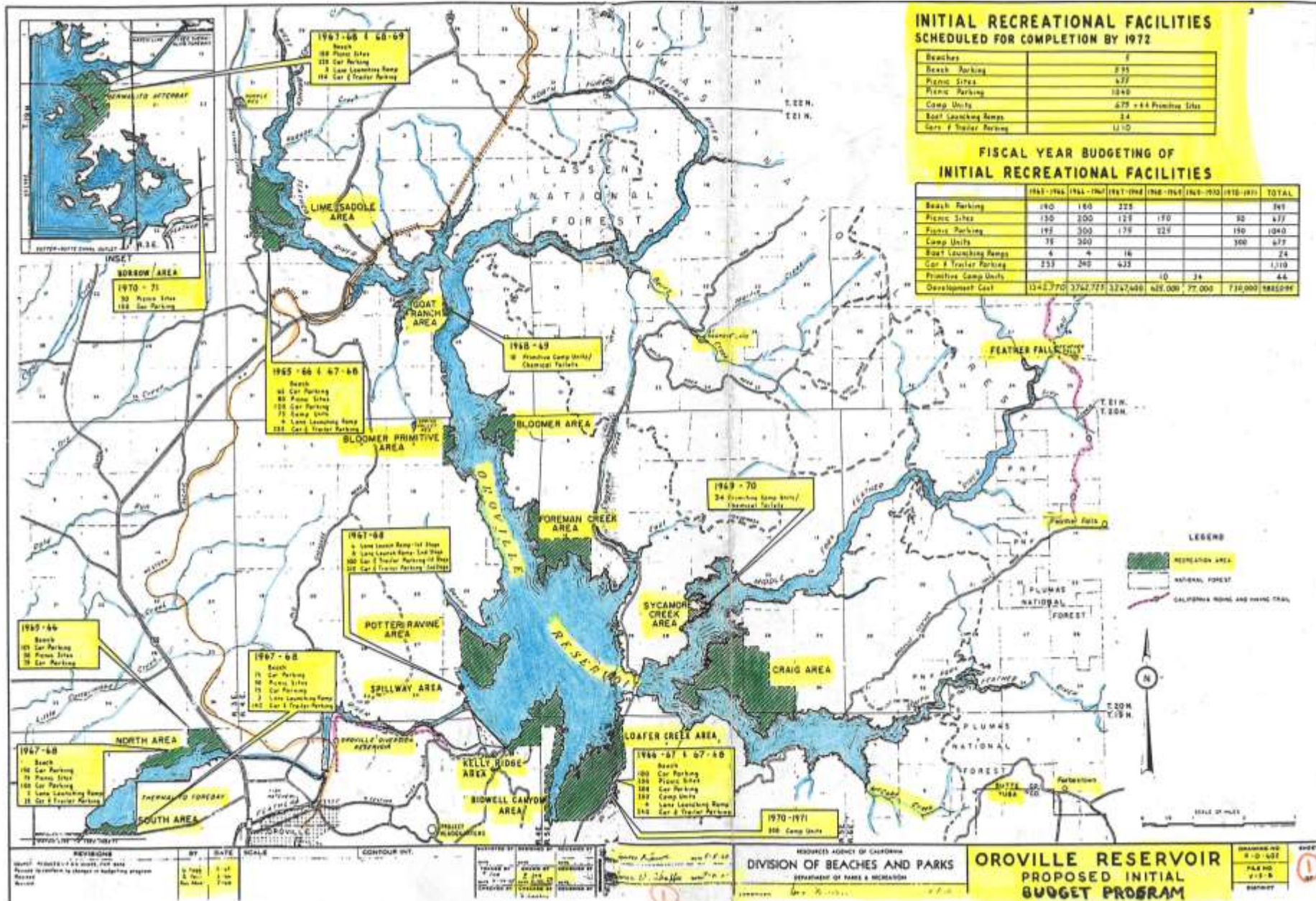
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# 1994 FERC Order - Revised Recreation Plan

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- FERC concluded DWR had failed to construct numerous recreational facilities that were included in the originally approved recreation plan.
- Facilities that were expressed to be in place by 2018:
  - 2,948 campsites around the lake. There are 357.
  - 107 boat launching lanes. There are 34 when lake is full, 19 when the lake is down 100 feet, 8 lanes which are at the Spillway which is currently closed.
- Other facilities that were expressed to be in place in the late 1960's:
  - By 1968 - 9 beaches with parking for 595
  - By 1969 - 655 picnic sites with parking for 1,040



**1970-71**  
30 Picnic Sites  
188 Car Parking

**1967-68 & 68-69**  
Beach  
88 Picnic Sites  
228 Car Parking  
3 Lane Launching Ramps  
124 Car & Trailer Parking

**1965-66 & 67-68**  
Beach  
42 Car Parking  
80 Picnic Sites  
100 Car Parking  
75 Camp Units  
4 Lane Launching Ramps  
222 Car & Trailer Parking

**1967-68**  
4 Lane Launching Ramps (1st Stage)  
3 Lane Launching Ramps (2nd Stage)  
100 Car & Trailer Parking (1st Stage)  
100 Car & Trailer Parking (2nd Stage)

**1969-66**  
Beach  
45 Car Parking  
20 Picnic Sites  
10 Car Parking

**1967-68**  
Beach  
16 Car Parking  
10 Picnic Sites  
10 Car Parking  
3 Lane Launching Ramps  
140 Car & Trailer Parking

**1967-68**  
Beach  
140 Car Parking  
70 Picnic Sites  
100 Car Parking  
3 Lane Launching Ramps  
15 Car & Trailer Parking

**1966-67 & 67-68**  
Beach  
100 Car Parking  
100 Picnic Sites  
100 Car Parking  
100 Camp Units  
4 Lane Launching Ramps  
140 Car & Trailer Parking

**1970-1971**  
300 Camp Units

**1968-69**  
Primitive Camp Units / Chemical Toilets

**1969-70**  
34 Primitive Camp Units / Chemical Toilets

# 1994 FERC Order - Revised Recreation Plan

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- Thousands of protest and comment letters sent by local citizens.
- DWR responded that the demand for recreation facilities at Lake Oroville had not developed as anticipated.
- The Oroville Chamber of Commerce noted that the local business community has suffered due to the poor recreation development at the project.
- FERC ordered tens of millions of additional funds be expended for new and additional recreation facilities and stated “the cost is not unreasonable, given the magnitude of the economic benefits the licensee realizes from this project.”

# Impacts of Dam on Butte County

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## Financial

- Butte County provides governmental services including: police, fire, rescue, roads, and traffic at a cost of \$5.3 million annually—no reimbursement by DWR.
- Loss of property tax on 41,000 acres of land at a cost to Butte County of up to \$6.9 million annually—DWR refuses to pay a penny.
- Overall annual economic loss/cost to County = over \$12 million.

# Impacts of Dam on Butte County

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- Project does not bring net tourism dollars or other positive revenues.
- Project does not provide low cost power for residents.
- Project creates higher risk of a significant flood event for residents.

# FERC Assessment of Financial Impacts on Butte County

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FERC staff and DWR have acknowledged substantial cost to the County (which is still considerably less than those costs which the County has documented) for **subsidizing services necessary for the public health, welfare and safety of persons using the Lake Oroville Facilities** as set forth on page 336 of the Final Environmental Impact Study (FEIS) dated March, 2007 as follows:

Total expense estimates from FERC's Final EIS not including lost property tax revenue:

<u>County</u>	<u>DWR-original</u>	<u>DWR-revised</u>	<u>FERC Staff</u>
\$5,296,993	\$1,473,100	\$1,729,020	\$1,702,200



# FERC Assessment of Financial Impacts on Butte County

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- FERC's Final EIS concludes that Butte County is losing millions of dollars in property tax revenue stating on page 345: “...**estimates of lost tax revenue in the range of \$1.0 and \$6.9 million annually** are reasonable estimates of the County's foregone tax revenue.”

# Comparisons to Other FERC Projects around the USA

	Annual Tax or Other Payments Made to Host Community/ County	Low-Cost Power Allocation to Community	Special Payments/ Benefits Given to Address Local Needs	Unneeded Project Lands Returned to Community	Monies Committed to Road/ Infrastructure Improvements
<b>Folsom Dam</b>	Yes	No	Yes	No	No
<b>Niagara Project</b>	Yes	Yes	Yes	Yes	Yes
<b>St. Lawrence Project</b>	Yes	Yes	Yes	Yes	No
<b>Upper American River Project</b>	Yes	No	Yes (water)	N/A	Yes
<b>Oroville Facilities Project</b>	No	No	No	No	No

# Folsom Dam Project 2007

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- An initial payment of \$4.8 million by US Bureau of Reclamation to Sacramento County for its Sheriff's Department.
- US Bureau of Reclamation agreed to spend over \$5 million annually to compensate the Sacramento County Sheriff's Department for providing security at Folsom Dam.
- The hiring of 31 new security personnel to guard the Folsom Dam, including one lieutenant, three sergeants, six deputies, and 21 sheriff security officers.
- Seven new vehicles to supplement the Sacramento County Sheriff's fleet.
- A total Dam security payment to Sacramento County over five years of \$28 million.

# Niagara Project 2005/2006

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- NY Power Authority (NYPA) valued their total settlement package at \$384 million for the non-license items and \$59 million for license-related measures.
- Low cost power for local communities (50 yrs).
- Host communities share \$89 million fund/\$5 million/year. (No restriction on how communities can use the funds.)
- NYPA pay host communities \$1 million/yr for ecological fund; \$1 million/yr. for land acquisition; \$3 million/yr. for parks greenway fund.
- NYPA \$9 million recreation fund for capital improvements.
- NYPA \$19 million dollar fund to fix water infiltration problems.
- Local tribe – low cost power allocation, \$21 million one time payment, \$150K for tribal exhibit devoted to tribe's heritage.

# Relicensing Process/Legal Challenge

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- There have been numerous attempts to negotiate/DWR's position.
- County forced to file Intervention with FERC.
- Issuance of any license not providing for Butte County issues will be challenged.

# County of Butte v. CA Department of Water Resources

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- Yolo Co. Sup. Ct. Case No: 144282 & 144283 (Filed August 21, 2008)  
California Third District Ct of Appeals Case No: C071785 (Filed August 9, 2012)  
– issues related to Environmental and Economic Impacts to the County
- Butte and Plumas Counties challenged the Environmental Impact Report “EIR” certification and approval by the Department of Water Resources of its proposed new 50-year operating license for DWR’s Oroville Facilities.
  - CEQA compliance applies to DWR’s proposed 50-year relicensing of Oroville Dam.
  - DWR failed to study the wider range of climate variations for the 21<sup>st</sup> Century operation of the facilities which their own scientists concluded would occur.
    - DWR concluded they would operate the facilities as they had for the last 50 years.
    - Recent results suggest alternative approaches should be analyzed and considered.

# Flood Control

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- In 2005, Sutter County sent a letter to Governor Schwarzenegger regarding including funding for flood control in the Relicensing Process.
- The head of DWR's relicensing program wrote: "Relying on individual relicensing proceedings to resolve regional flood control issues can be problematic."
- DWR's General Counsel also stated: "The Army Corps of Engineers has exclusive jurisdiction over flood control operations; and therefore, flood control operations were not included in the analysis associated with seeking a new license with FERC."
- Flood control is a critical component of this project and must be factored in.

# Oroville Spillway Damage February, 2017

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Photos courtesy of the Department of Water Resources



# Oroville Spillway Damage Beginning February 7, 2017

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# Oroville Spillway Damage Close-up of Damage

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# Oroville Spillway Scale and Magnitude of the Damage



# Spillway Damage Costs

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- Cost of about \$5,000,000 per day.
- Emergency Response total – Approx. \$200 million as of March 24, 2017.

# Spillway Incident – County Impacts

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- County offices were closed for two days (Feb 13 & 14).
- Numerous hours were spent by County staff to support the incident (EOC, law enforcement, significant impact on jail operations)
- Tremendous road damage

# Spillway Incident – County Impacts

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- County estimated costs associated with event:
  - 2 days of wages lost: \$665,000
  - Wages in support of the event: \$1,025,000
  - Sheltering costs: \$115,000
  - Transport/housing inmates: \$600,000
  - Mutual aid law enforcement: \$400,000
  - Tremendous Road damage (over 30 Miles/22 road segments) \$TBD - Millions
  - TOTAL \$2,805,000 + ROADS

# Spillway Crisis

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Butte County has suffered substantial losses as a result of the failure of the Oroville Dam Spillway and the Emergency Spillway:

- Damaged Public Trust
- Extensive Expenditure for Emergency Services
- Extensive Expenditure for Evacuations (Multi-County)
- Impacted Water Supply
- Damaged Infrastructure
- Damaged Fisheries
- Damage to Businesses
- Damage to Recreation and Tourism

The County has been forced to file an Emergency Petition with FERC which requests that DWR correct safety deficiencies and establish a public safety program.

# Fifteen Years Into Relicensing

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- DWR has not lived up to the terms of its original license and has not given any indication that it will help Butte County cover its costs in the new license application.
- DWR refuses to acknowledge what most new licenses provide for other local agencies and host communities.
- Butte County will not continue to allow the status quo whereby the taxpayers of Butte County subsidize DWR's operation of the Oroville Facility.
- Butte County is committed to seeking a just result which can be achieved by settlement, FERC orders, or court decision.



# Contact Information

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If you wish to contact the Federal Energy Regulatory Commission you may mail your communication to the following:

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

Telephone: (202) 502-

Toll Free: 1-866-208-3372

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