



News Release

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Lewis River hydro projects receive federal licenses

More than 170 miles of salmon habitat to be reopened

Federal authorities base 50-year licenses on a 2004 settlement recognized as good for the environment, as well as customers of Pacific Power and Cowlitz PUD

WOODLAND, Wash. — New federal operating licenses for four Lewis River hydroelectric projects will reopen more than 170 miles of potential salmon habitat, improve local high river flow management, boost recreational opportunities and preserve the energy resources of the Lewis River in southwest Washington state.

The licenses, received in late June, provide for 50 years of continued operation of PacifiCorp-owned Merwin, Yale and Swift 1 projects, as well as the Swift 2 project owned by the Cowlitz County Public Utility District. The decision of the Federal Energy Regulatory Commission crowns a 13-year collaborative effort to gain new operating licenses for the four hydroelectric projects, which combine to produce 580 megawatts. Management under the new licenses began immediately, although both utilities are allowed 30 days to review the licenses and seek rehearing and clarifications with the commission.

"We are grateful that the new licenses give appropriate weight to the great variety of interests that came together to craft the comprehensive and far-reaching agreement in 2004," said Rob Lasich, president of PacifiCorp Energy. "Each of the Lewis River settlement parties can be proud of these licenses. This will ensure long-term, sustainable benefits for the natural resources of the Lewis River, while preserving a much-needed source of emission-free electricity for the customers of PacifiCorp and Cowlitz PUD."

"The new 50-year license for Swift No. 2, and the fish and wildlife enhancements it provides, represent a 'win-win' for Cowlitz PUD customers, PacifiCorp and every citizen who enjoys the opportunities offered on the North Fork Lewis River," said Brian Skeahan, Cowlitz PUD general manager. "From a utility standpoint, we are thrilled to have another 50 years to count on this low-cost source of clean, renewable electricity to serve our customers." "The Lewis River relicensing process was a long one, but because of a great commitment by all parties involved, we now have a good outcome that serves the public interests and environmental needs," said Joel Rupley, coordinator of the endangered species program for Clark County.

The licenses detail a complex and far-reaching plan whereby anadromous fish will be transported around three high dams to reopen access to large amounts of productive fish habitat. At the same time, scientific examination and coordination will continue to ensure, to the maximum extent possible, the success of the reintroduction program.

The three PacifiCorp-owned projects generate enough electricity to provide the yearly needs of about a quarter million typical residential customers. The Lewis River projects are PacifiCorp's largest group of hydro resources. Hydro production at the 66.8-megawatt Swift No. 2 project meets nearly 30 percent of the electric needs of Cowlitz County residences.

The utilities began the federal licensing process in 1995 and have been operating under annual licenses since 2006. Under the new licenses, future capital investment over the 50-year license period will total approximately \$400 million by PacifiCorp and \$38 million by Cowlitz PUD. The money will fund protection, mitigation and enhancement measures covering fish, wildlife, recreation, cultural resources and flood management.

"PacifiCorp's investment in wildlife, recreation and especially in fisheries is very significant," said Pat Reiten, president of Pacific Power. "That investment is in keeping with the company's commitment to being a good steward of the natural resources affected by our projects. Importantly, these licenses allow us to retain significant benefits for our customers in the form of cost-effective electricity."

For Guy Norman, regional director of Washington's Fish and Wildlife Department, the new licenses provide the backbone of a new era of collaboration in the Lewis River basin. "We can look forward to some very well-coordinated management of the Lewis River from the perspective of fish, wildlife and recreation," said Norman. "I am looking forward to working with PacifiCorp, Cowlitz PUD and the other parties in making the commitments contained in these new licenses work every day."

Fish habitat and passage

The Lewis River is a huge watershed draining portions of the Mt. St. Helens and Mt. Adams areas and is already a prodigious producer of salmon from hatcheries supported by the utilities. The centerpiece to the new licenses is a staged plan to open up more than 170 miles of habitat currently blocked to migrating fish. This effort will contribute to the recovery of listed salmon and steelhead in the lower Columbia River. Reintroduction would occur first in the upper Swift reservoir where 117 miles of habitat is available.

Wildlife funding and management

Under the four licenses, more than \$12 million will be invested in protecting and enhancing wildlife habitat for a broad range of big game and other species in the Lewis River watershed.

Recreation

Currently, PacifiCorp operates 14 parks and day-use facilities along the Lewis River and on the shores of the Merwin, Yale and Swift reservoirs. These facilities are used by a half million people each year and demand for these popular facilities is increasing. The license calls for more than \$20 million in capital improvements over the life of the new licenses, which include parking, recreation equipment, construction of new shelters, replacement of docks, improvements to boat launching facilities, new restrooms and expansion of camping facilities. Improved shoreline campsites accessible only by boat will provide new experiences for campers. New trails will be developed and emphasis will be placed on making many facilities accessible for the disabled.

Cowlitz PUD operates a barrier-free bank fishing facility at the Swift No. 2 canal bridge, which has proven popular with many anglers throughout the fishing season since its completion in 2006.

Flood management

PacifiCorp's three reservoirs have played a critical role in flood management since the 1930s and the settlement brings several new management features to the system. PacifiCorp has provided funding for Clark and Cowlitz counties to install a new automated notification system for residents along the river for use during high-runoff events. PacifiCorp already has cooperated with the National Weather Service to install a weather radio transmitter at Davis Peak. The company also will pay for a new phone line for the U.S. Geological Service so that residents can access real-time data on Lewis River flows from the agency's gauge at Ariel, Washington.

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About Pacific Power

Pacific Power is part of PacifiCorp, one of the lowest-cost electricity producers in the United States, providing approximately 1.7 million customers with reliable, efficient energy. The company works to meet its customers' growing energy demand while protecting and enhancing the environment. Pacific Power serves approximately 724,000 customers in Oregon, Washington and California. Its sister company Rocky Mountain Power serves customers in Utah, Wyoming and Idaho.

About Cowlitz County PUD

Cowlitz County Public Utility District is a consumer-owned utility that serves 48,000 electric customers in Cowlitz County, Wash. Besides owning the 66.8 megawatt Swift No. 2 Project on the North Fork of the Lewis River in southwest Washington, it also helped develop the 205 megawatt White Creek Wind Project in the Columbia River Gorge and has contractual rights to 46 percent of the project output.