HABITAT COMMITTEE REPORT TO THE COUNCIL

The Habitat Committee (HC) met yesterday to discuss matters related to Federal Energy Regulatory Commission (FERC) dam relicensing, Columbia River flows, Columbia River dredging, and Klamath River flows.

We will provide comments on marine reserves and groundfish rebuilding plans during those agenda items (D.1.b and E.7.b).

Habitat Issues

Federal Energy Regulatory Commission (FERC) Letter. The draft letter to the Federal Energy Regulatory Commission (FERC) in the briefing book incorporates edits provided by California, Oregon, NOAA General Counsel, and the Columbia River tribes. The Habitat Committee reviewed this version of the letter and suggested new edits contained in the revised version you received today (attached). Other than minor editorial changes, the significant edit by the HC suggests language in the second to last paragraph of the letter (in italics) requesting a response from FERC and suggesting a meeting between a FERC representative and the HC at the June Council meeting to discuss appropriate ways for the Council to be involved in the FERC relicensing process. The HC recommends this version of the letter be approved by the Council and sent to FERC. Because of the number of significant relicensing proposals affecting Council managed stocks, the HC anticipates there will be opportunities for the Council to be involved in relicensing issues for the next several years.

Columbia River Flows/Hanford Reach Flows. The HC received an expanded version of the 2001 Columbia River flow presentation by Mr. Jim Ruff that the Council heard this morning, and were disheartened by what they heard. The Committee also heard the report from the U.S. Fish and Wildlife Service (USFWS) on Hanford Reach flow issues and work that the USFWS has been doing to quantify the impacts of flow management on spawning adults and on juveniles in the Hanford Reach. The HC supports the development and funding of analytical tools to measure the impacts of hydropower operations on fish. This is an issue of concern to the Council because of its implications for EFH, as well as for mortality of managed species. Quantifying the effects on fish of hydropower operations is also critically important in the analysis of FERC relicensing proposals.

Lower Columbia River Dredging. Mr. Stuart Ellis of the Columbia River Inter-Tribal Fish Commission gave a report on the lower Columbia River dredging proposal. A biological opinion (BO) on the dredging proposal is due out in a few weeks, which doesn't give the Council an opportunity to provide input into the BO. The HC is planning to review a letter on Columbia River dredging sent by the Council in 1999, in order to determine if NMFS and the Army Corps of Engineers have incorporated any of the Council's input. The HC will discuss this issue further in June and will try to find appropriate ways for the Council to continue to be involved in this issue and may recommend the Council submit another letter on the issue in June. The HC is unaware of the status of the EFH consultation.

Klamath River Flows. Mr. Michael Rode provided the HC with an update on Klamath River flows. The Klamath River water year is projected to be "below average" (April through September inflow to upper Klamath Lake of 312,800-500,400 acre-feet at a 70% probability of exceedance.) In a March 27, 2002 letter to NMFS, the U.S. Bureau of Reclamation (BOR) proposed operating the Klamath Project during April and May as suggested in its 2002 BA for a "below average" water year. This will result in minimum flow releases at Iron Gate Dam of 1,742 cfs from April 1-15; 1,347 cfs from April 16-30; 1,021 cfs from May 1-15 and 1,043 cfs from May 16-31. These flows range from being about 50% to 30% of those recommended at this time of the year by the recently released draft Final Hardy Phase II Flow Study report. In a March 28, 2002 letter, NMFS concurred with the USBR's request, stating that "Given the conclusions expressed by the National Research Council, NMFS currently has no basis for contradicting your determination, and accordingly, NMFS concurs with USBR's 'not likely to adversely affect' determination."

The NMFS draft BO on the effects of the Klamath Project on southern Oregon/northern California coast coho salmon is scheduled to be released on April 12, 2002, and the final BO is anticipated for completion on June 1, 2002. Since this will occur between Council meetings, the Habitat Committee recommends that a quick response comment letter be prepared for Council approval.

PFMC 04/09/02

DRAFT

The Honorable Magalie Roman Salas, Secretary Federal Energy Regulatory Commission 888 First Street NE Washington, D.C. 20246

Dear Secretary Salas:

The Pacific Fishery Management Council (Council) is writing to assure that the Federal Energy Regulatory Commission's (FERC) licensing actions under the Federal Power Act are consistent with the Magnuson-Stevens Fishery Conservation and Management Act. Specifically, the Council is concerned that in making its hydropower project relicensing decisions, FERC meets its responsibilities regarding conservation of Essential Fish Habitat (EFH). Such responsibilities include consultation with the Council and National Marine Fisheries Service (NMFS) to assure minimization of acute and cumulative impacts on salmon from hydropower operations.

This EFH mandate will also help FERC assure consistency with its obligations under the 1986 Electric Power Consumers' Act, which requires FERC to take a balanced approach to hydropower project licensing. The Act requires that when deciding whether to issue a license, FERC consider not only the power generation potential of a river, but *give equal consideration to energy conservation, protection of fish and wildlife, and general environmental quality.* This mandate requires FERC to consult with federal, state and local resource agencies, including fish, wildlife, recreation and land management agencies, in order to assess the impact of a hydropower project on the environment. We are concerned that new FERC regulations may reduce FERC's obligations to environmental and energy conservation functions and values.

The Council is also concerned about cumulative impacts of hydropower projects and the methods FERC uses to analyze these impacts. Specifically, the Council is concerned about fish passage conditions that are designed to minimize mortality; the effects of hydropower projects on stream flow and water quality; mitigation and compensation measures; and the lack of flexibility in the relicensing process. Below, we provide some background and detail our concerns with the FERC process.

Background: Essential Fish Habitat

The Magnuson-Stevens Act, as revised in 1996, requires federal fishery management plans to include EFH descriptions, and calls for federal agencies to consult with NMFS on activities that may harm EFH. The Magnuson-Stevens Act includes the following definition:

"EFH for Pacific coast salmon fishery means those waters and substrate necessary for salmon spawning, rearing, breeding, feeding, or growth to maturity, needed to support a long-term sustainable salmon fishery and salmon contributions to a healthy ecosystem." We have enclosed the relevant section of the Magnuson-Stevens Act in order to clarify current concerns related to habitat for coho and chinook salmon and Puget Sound pink salmon.

Impact of FERC-licensed hydroelectric projects on Essential Fish Habitat

There are currently a total of 254 FERC-licensed hydropower projects in California, Oregon, Washington and Idaho. Many of these projects are currently undergoing, or are soon scheduled for, relicensing. With the term for FERC hydropower licenses generally running from 30 to 50 years, these projects present unique challenges to anadromous fish. Only a small proportion of these projects have upstream and downstream fish passage facilities, and many of these facilities perform poorly. In addition, many hydropower projects decrease streamflow, impair water quality and destroy important fish habitat, causing serious harm to anadromous fishes.

Example: California's Central Valley

In California's Central Valley (which encompasses the Sacramento and San Joaquin Watersheds), dams block as much as 95% of historic salmonid spawning habitat. As a result, salmonids have disappeared from approximately 5,700 miles of their historic habitat in the Central Valley. In most cases, the remaining habitat is of much lower quality than the lost habitat, and is further degraded by the impacts of hydroelectric operations. According to a FERC review, 149 FERC licensed and exempted projects are located in the Central Valley. Although most of these projects are small (114 have capacities less than 5 MW), total reservoir storage is about 40 percent of all surface water storage in the Central Valley. Most storage is located at relatively few projects. Twenty-nine projects account for 95 percent of the FERC-licensed storage in the Valley.

In 1985 the Oak Ridge National Laboratory analyzed the adverse effects of Central Valley hydroelectric projects on sensitive fish populations. The results of this analysis are contained in a FERC report that concludes that 27 FERC-licensed hydroelectric projects adversely affect stream flows in areas where sensitive fish species (including chinook salmon) are located. The report further concludes that nine other FERC-licensed hydro projects (involving 22 storage reservoirs) appear to have significant direct and cumulative impacts.

Cumulative Impact Assessment

Programmatic decision-making should use cumulative impact analysis to address the effects of multiple actions, some of which may have minor impacts individually, but which collectively may have significant impacts on a watershed. It is critical that FERC use analytical tools to determine such impacts and identify appropriate mitigation measures. Some of these tools include NMFS' 1996 *Matrix of Pathways and Indicators*, a method for evaluating the effects of human activities on salmonid habitat; watershed assessment protocols; research programs; and predictive watershed models for testing policies and assessing adverse impacts. Predictive models can be particularly useful for assessing cumulative impacts. FERC should use these tools to develop its cumulative impacts

analysis in its environmental analysis conducted pursuant to the National Environmental Policy Act, and should support fish and wildlife agency requests for such analysis by applicants during the study phase of the relicensing proceeding.

In general, FERC has conducted impact assessments on a project-by-project basis. An exception to this is the recent FERC Draft Environmental Impact Statement on the four upper Snake River hydroprojects above Hells Canyon. Even this effort, however, does not consider the direct or cumulative impacts of these four projects combined with the Hells Canyon hydroprojects, or the effects on the lower watershed.

With the exception of the four upper Snake River projects, relicensings are not coordinated by watershed or impact area. Expiration of existing licenses is based on the date and duration of the current license, and relicensing occurs shortly before the FERC license for a hydroelectric project expires. This lack of coordination precludes the development of effective cumulative impact assessments and system-wide operating plans for improving efficiency, facilitating relicensing and minimizing impacts on listed species. This lack of coordination also limits opportunities for improving fish passage on rivers where consecutive hydroelectric projects create multiple migration barriers. We believe FERC should initiate reopener proceedings where it has retained the authority to do so to in order to coordinate relicensing proceedings, so that expiration dates are coordinated by watershed or system, whichever is more relevant to aquatic habitat.

Further, FERC should periodically review license conditions to assure that license holders are fully meeting license conditions. Annual licenses should be subject to current and new environmental laws and standards. In addition, FERC should maintain the flexibility to reopen licenses and should require interim mitigation and/or monitoring upon receiving evidence that licenses fall short of meeting environmental and energy conservation requirements. Lastly, FERC should abstain from adding conditions to existing licenses during the relicensing process that might degrade salmon passage and important habitat. Instead, such modifications should be part of the relicensing proposal.

Critical Issues

The Council urges FERC to address the following issues as it considers relicensing actions in California, Washington, Oregon and Idaho:

(i) Fish passage conditions at the project: Hydropower projects affect both upstream migration of adult salmonids (and other anadromous species) and downstream migration of juveniles. The passage facilities at some projects are improperly designed or operated, resulting in substantial direct and/or indirect harm to fish. Some projects totally block migration, eliminating access to historic habitat and disconnecting populations from their habitats.

During relicensing, existing fish passage conditions should be analyzed and strategies devised to improve passage conditions where necessary. Wherever fishes are blocked from historic habitat, reintroduction measures should be

evaluated and implemented. Such measures include installing fishways, trapping and hauling, shutting down projects and removing dams. Mitigation should also be evaluated as an alternative. Under the Federal Power Act, NMFS and the U.S. Fish and Wildlife Service have mandatory authority to prescribe fishways at hydropower projects, and state fish and wildlife agencies have recommendation authority. FERC should assure that fishways prescribed by these agencies are constructed or modified and operated according to their criteria.

(ii) Impacts to stream flow and fish habitat in and below the project area: Hydropower projects that are truly "run of the river" may have minimal effects on stream flow conditions because they pass all water through turbines or over spillways, maintaining consistent flow conditions below the project. However, few if any projects are truly "run of the river," where inflow matches outflow on a 24-hour basis. Hence, projects that are not "run of the river" can degrade both upstream and downstream habitat. In addition, "peaking projects" may store stream flows and release them later at specific times for power generation. These operations can strand fish due to rapid flow fluctuations, scour spawning and rearing areas, and reduce the abundance and diversity of the aquatic insects and other forage items that are critical to fish productivity. Still other projects may divert stream flows from the river channel, thus removing water from aquatic habitat.

During relicensing, both pre-project and existing stream flow conditions in the effected area should be noted, and the modifications to project operations to improve fish passage, incubation, rearing and spawning habitat and to reduce other impacts on aquatic habitat should be provided. Both federal and state fish and wildlife agencies have been given authority under section 10(j) of the Federal Power Act to recommend conditions for new FERC licenses that will mitigate project impacts on fish, wildlife and habitat. FERC should cooperate with these agencies to develop improved stream flow, ramping, and periodic flushing flow requirements for new licenses.

(iii) Impacts to water quality in the project area: Project operations that affect stream flow may also affect water quality. For example, storing water behind dams and similar structures usually results in increased water temperatures, disruption in the movement of sediments, and reduced dissolved oxygen. Reducing stream flows may also reduce the water available for diluting point- and non-point source pollution. Rapid release of water below projects can increase total dissolved gas levels, causing gas bubble trauma.

During relicensing, pre-project water quality in the effected area should be analyzed, including those parameters monitored under state, tribal, and federal Clean Water Act regulations. Studies should examine how project operations need to be modified to prevent degradation of existing water quality, or to improve water quality in water-quality-limited streams. Applicants should describe existing stream flow conditions in the effected areas, the characteristics of a natural flow regime in the watershed, and how project operations will be modified to improve access and impacts on aquatic habitat. Conditions must be added to assure the needed modifications. The Council

- urges FERC to work with the appropriate state's water quality agency to assure compliance under Section 401 of the Clean Water Act.
- (iv) Impacts to ESA-listed species: Hydropower projects are identified as one of the major causes of decline for ESA-listed salmon and steelhead stocks. As such, assessments undertaken by the applicant should provide a scientifically-based rationale demonstrating that the proposed actions protect, mitigate, and enhance salmon (and other anadromous species) and their habitat throughout their life cycle.
- (v) Effective monitoring and evaluation programs: Monitoring of mitigation projects must accurately assess compliance and effectiveness within a watershed context. Much of the already cumbersome licensing process focuses on the details of mitigation and monitoring at individual projects. Continuing the current series of independent and site-specific efforts, without regional or basin-wide coordination, perpetuates a time-consuming and repetitive process, without assuring that the intended benefits to fish habitat and survival are being realized. This approach also makes it impossible to respond to environmental and energy needs in a timely way. Therefore, FERC's efforts to protect, mitigate or enhance aquatic resources should be based on a programmatic, basin-wide perspective and should have appropriately designed monitoring.
- (vi) **Multiple dam effects**: Within any larger watershed, structural configurations, operations and future relicensing of multiple hydropower projects must be evaluated with respect to both singular and cumulative impacts on salmon and habitat.
- (vii) Adaptive management provisions: A structured process of "learning by doing" needs to be included throughout the term of the license by evaluating monitoring data to determine any needed revisions of assumptions, management strategies, or objectives. Applicants must describe the conditions under which project operation and configuration revisions are to be made and the processes for accomplishing those revisions. However, the adaptive management approach should not be used as an excuse to avoid doing studies during the pre-licensing consultation phase. When misused, adaptive management provides an easy excuse to delay implementing on-the-ground mitigation measures for the first decade of a new license while studies are being conducted because good information on project impacts and mitigation was not collected during the consultation period.
- (viii) Alternative licensing process: The Council is concerned by the recent collaborative licensing alternative instituted by FERC. With so many licensing proceedings taking place, it is difficult for the Council and other important stakeholders to effectively engage in the alternative process because of the large time and resource commitment required. Thus, FERC should carefully weigh each licensing proceeding with respect to the alternative process, and defer to the traditional three-stage consultation process if stakeholders provide evidence that the alternative process is inappropriate based upon their available resources. Further, FERC should expedite the adoption of licenses when stakeholders have agreed on license conditions.

The Council is also concerned that FERC often does not support shorter license terms or the reopening of licenses. Such measures would allow for adaptive management of license conditions, and would provide more flexibility for fishery agencies in their mandate to protect public fishery resources. Given the importance of these multiple licensing proceedings, which will establish new or renewed licenses for decades in the future, the Council recommends that FERC seek flexibility with respect to reopening licenses, as well as shorter license terms. In the standard thirty to fifty years of a FERC license, entire populations of fish can be fragmented, highly reduced, or driven to extinction.

Commercial, tribal, and sport fisheries and the communities they support throughout California, Washington, Oregon, and Idaho are greatly influenced by the operation of FERC-licensed facilities. FERC must work with stakeholders to balance these economic, cultural and environmental values. State and federal agencies, tribes and other stakeholders cannot fully participate in license and relicensing proceedings unless they have the resources to do so, so both the applicants and FERC must provide these resources. FERC must engage applicants and current license holders early in the process and play a primary role in ensuring that license conditions protect, mitigate and enhance salmonids and their critical habitats. In particular, FERC should improve the design and implementation of relicensing studies to ensure that all parties have timely and meaningful input. The burden of proof must not fall on fish and wildlife agencies and the resources they are charged to protect.

In summary, the Council requests that FERC provide information on how the proposed relicensing studies will address the issues raised in this letter, with particular attention to grouping projects by watersheds and addressing cumulative impacts. The Council would like to invite an appropriate FERC representative to meet with the Council's Habitat Committee at its June 16, 2002 meeting to discuss issues related to this letter and how the Council may be able to work effectively with FERC regarding relicensing in the future.

The Council strongly believes that during the upcoming relicensing decisions there is both opportunity and means to positively influence the survival of salmon through habitat, flow, and passage improvements. All of us involved in resource use and management have learned much during the first 50 years of dam operations and know that we have the knowledge and ingenuity to meet both our energy needs and to regain and rebuild the health of our salmon resources. We appreciate your attention to our concerns and suggestions.

Sincerely,

DRAFT

Dr. Hans Radtke Chairman Pacific Fishery Management Council Enc: Section 3.2.5, Potential Impacts and Conservation Measures for Nonfishing Activities that may affect Salmon Essential Fish Habitat, of Appendix A, Identification and Description of EFH, Adverse Impacts, and Recommended Conservation Measures For Salmon - Amendment 14 to the Pacific Coast Salmon Plan (August 1999)



HABITAT COMMITTEE PROPOSED ACTION FORM

HC Sponsor: F	Paul Engelmeyer				
Title of Issue:	Programmatic letter regardi	ng hydropower re	elicensing a	ctions	Deadline (if any):
Proposed Acti	on: Letter for Council signat	ure			
Addressed To	The Honorable Magalie R Federal Energy Regulator 888 First Street NE Washington, D.C. 20246	oman Salas, Se ry Commission	cretary		
Description of	Issue:				
have begun or a significant effect address many i	of FERC-licenced hydropover are about to begin their relicents on Council-managed salm ssues in their relicensing propacts to water quality.	ensing process. non species. W	These hydro e are provid	opower p ing input	rojects can have to FERC on the need to
Description of	Regional Significance:				
soon scheduled from 30 to 50 y to relicense hyd assessments o passage, streat	ver projects in California, Ored for, relicensing by FERC. ears, these relicensing meastropower projects makes it of the projects' effects on fishm flow and water quality, the measures are all matters of the projects are all matters.	With the term fo sures are particu difficult for the ag and habitat. The lack of flexibility	r FERC hydi larly importa ency to cond e effects of h	ropower I Int. The I duct cum Iydropow	licenses generally running method that FERC uses ulative impact er projects on fish
Potential Adve	erse Impacts to EFH?	X	Yes	□ No	
For Which Spe projects, includ	ecies? All anadromous fish i ling coho and chinook, which	in the Council re n are Council-ma	gion whose I naged speci	nabitat is es.	affected by hydropower
Potential Bene	efits of Proposed Action:		, , , , , , , , , , , , , , , , , , , ,		

Attach draft document for Habitat Committee consideration.

The letter will ensure that the Council's policies and recommendations will be presented in a consistent manner for all of the FERC relicensing projects.

DRAFT

The Honorable Magalie Roman Salas, Secretary Federal Energy Regulatory Commission 888 First Street NE Washington, D.C. 20246

Dear Secretary Salas:

The Pacific Fishery Management Council (Council) is writing to assure that the Federal Energy Regulatory Commission's licensing actions under the Federal Power Act are consistent with the Magnuson-Stevens Fishery Conservation and Management Act. Specifically, the Council is concerned that in making its hydropower project relicensing decisions, FERC meets its responsibilities regarding conservation of Essential Fish Habitat (EFH). Such responsibilities include consultation with the Council and NMFS to assure minimization of acute and cumulative impacts on salmon from hydropower operations.

This Essential Fish Habitat mandate will also help FERC assure consistency with its obligations under the 1986 Electric Power Consumers' Act, which requires FERC to take a balanced approach to hydropower project licensing. The Act requires that when deciding whether to issue a license, FERC consider not only the power generation potential of a river, but give equal consideration to energy conservation, protection of fish and wildlife, and general environmental quality. This mandate requires FERC to consult with federal, state and local resource agencies, including fish, wildlife, recreation and land management agencies, in order to assess the impact of a hydropower project on the environment. We are concerned that new FERC regulations may reduce FERC's obligations to environmental and energy conservation functions and values.

The Council is also concerned about cumulative impacts of hydropower projects and the methods FERC uses to analyze these impacts. Specifically, the Council is concerned about fish passage conditions that are designed to minimize mortality; the effects of hydropower projects on stream flow and water quality; mitigation and compensation measures; and the lack of flexibility in the relicensing process. Below, we provide some background and detail our concerns with the FERC process.

Background: Essential Fish Habitat

The Magnuson-Stevens Act, as revised in 1996, requires federal fishery management plans to include Essential Fish Habitat descriptions, and calls for federal agencies to consult with National Marine Fisheries Service (NMFS) on activities that may harm Essential Fish Habitat. The Magnuson-Stevens Act includes the following definition:

"EFH for Pacific coast salmon fishery means those waters and substrate necessary for salmon spawning, rearing, breeding, feeding, or growth to maturity, needed to support a long-term sustainable salmon fishery and salmon contributions to a healthy ecosystem."

We have enclosed the relevant section of the Magnuson-Stevens Act in order to clarify

current concerns related to habitat for coho and chinook salmon and Puget Sound pink salmon.

Impact of FERC-licensed hydroelectric projects on Essential Fish Habitat

There are currently a total of 254 FERC-licensed hydropower projects in California, Oregon, Washington and Idaho. Many of these projects are currently undergoing, or are soon scheduled for, relicensing. With the term for FERC hydropower licenses generally running from 30 to 50 years, these projects present unique challenges to anadromous fish. Only a small proportion of these projects have upstream and downstream fish passage facilities, and many of these facilities perform poorly. In addition, many hydropower projects decrease streamflow, impair water quality and destroy important fish habitat, causing serious harm to anadromous fish.

Example: California's Central Valley

In California's Central Valley (which includes the Sacramento and San Joaquin Watersheds), dams block as much as 95% of historic salmonid spawning habitat. As a result, salmonids have disappeared from approximately 5,700 miles of their historic habitat in the Central Valley. In most cases, the remaining habitat is of much lower quality than the lost habitat, and is further degraded by the impacts of hydroelectric operations. According to a FERC review, 149 FERC licensed and exempted projects are located in the Central Valley. Although most of these projects are small (114 have capacities less than 5 MW), total reservoir storage is about 40 percent of all surface water storage in the Central Valley. Most storage is located at relatively few projects. Twenty-nine projects account for 95 percent of the FERC-licensed storage in the Valley.

In 1985 the Oak Ridge National Laboratory analyzed the adverse effects of Central Valley hydroelectric projects on sensitive fish populations. The results of this analysis are contained in a FERC report that concludes that 27 FERC-licensed hydroelectric projects adversely affect stream flows in areas where sensitive fish species (including chinook salmon) are located. The report further concludes that nine other FERC-licensed hydro projects (involving 22 storage reservoirs) appear to have significant direct and cumulative impacts.

Cumulative Impact Assessment

Programmatic decision-making should use cumulative impact analysis to address the effects of multiple actions, some of which may have minor impacts individually, but which collectively may have significant impacts on a watershed. It is critical that FERC use analytical tools to determine such impacts and identify appropriate mitigation measures. Some of these tools include NMFS' 1996 *Matrix of Pathways and Indicators*, a method for evaluating the effects of human activities on salmonid habitat; watershed assessment protocols; research programs; and predictive watershed models for testing policies and assessing adverse impacts. Predictive models can be particularly useful for assessing cumulative impacts. FERC should use these tools to develop its cumulative impacts analysis in its environmental analysis conducted pursuant to the National Environmental Policy Act, and should support fish and wildlife agency requests for such analysis by applicants during the study phase of the relicensing proceeding.

In general, FERC has conducted impact assessments on a project-by-project basis. An exception to this is the recent FERC Draft Environmental Impact Statement on four Upper Snake River hydroprojects. Even this effort, however, does not include direct or cumulative impacts of the four projects with the Hells Canyon hydroprojects, or the effects on the watershed below the four upper Snake River projects.

With the exception of the four Upper Snake River projects, relicensings are not coordinated by watershed or impact area. Expiration of existing licenses is based on the date and duration of the current license, and relicensing occurs shortly before the FERC license for a hydroelectric project expires. This lack of coordination precludes the development of effective cumulative impact assessments and system-wide operating plans for improving efficiency, facilitating relicensing and minimizing impacts on listed species. This lack of coordination also limits opportunities for improving fish passage on rivers where consecutive hydroelectric projects create multiple migration barriers. We believe FERC should initiate reopener proceedings where it has retained the authority to do so to in order to coordinate relicensing proceedings, so that expiration dates are coordinated by watershed or system, whichever is more relevant to aquatic habitat.

Further, FERC should periodically review license conditions to assure that license holders are fully meeting license conditions. Annual licenses should be subject to current and new environmental laws and standards. In addition, FERC should maintain the flexibility to reopen licenses and should require interim mitigation and/or monitoring upon receiving evidence that licenses fall short of meeting environmental and energy conservation requirements. Lastly, FERC should abstain from adding conditions to existing licenses during the relicensing process that might degrade salmon passage and important habitat. Instead, such modifications should be part of the relicensing proposal.

Cumulative impact analysis should be included in programmatic decision-making since even seemingly minor actions can have unforeseen adverse effects. State-of-the-art analytical tools can be used to predict cumulative impacts and help FERC identify appropriate protection, mitigation and enhancement measures.

Critical Issues

The Council urges FERC to address the following issues as it considers relicensing actions in California, Washington and Oregon:

(i) Fish passage conditions at the project: Hydropower projects affect both upstream migration of adult salmonids and downstream migration of juveniles. The passage facilities at some projects are improperly designed or operated, resulting in substantial direct and/or indirect harm to fish. Some projects totally block migration, eliminating access to historic habitat and disconnecting populations from their habitats.

During relicensing, existing fish passage conditions should be analyzed and strategies devised to improve passage conditions where necessary. Wherever fish are blocked from historic habitat, reintroduction measures should be evaluated and implemented. Such measures include installing fishways, trapping and hauling,

shutting down projects and removing dams. Mitigation should also be evaluated as an alternative. Under the Federal Power Act, NMFS and the U.S. Fish and Wildlife Service have mandatory authority to prescribe fishways at hydropower projects, and state fish and wildlife agencies have recommendation authority. FERC should assure that fishways prescribed by these agencies are constructed or modified and operated according to their criteria.

Hydropower projects that are truly "run of the river" may have minimal effects on stream flow conditions because they pass all water through turbines or over spillways, maintaining consistent flow conditions below the project. However, few if any projects are truly "run of the river," where inflow matches outflow on a 24-hour basis. Projects that are not "run of the river" can degrade both upstream and downstream habitat. In addition, "peaking projects" may store stream flows and release them later at specific times for power generation. These operations can strand fish due to rapid flow fluctuations, scour spawning and rearing areas, and reduce the abundance and diversity of the aquatic insects that are critical to fish productivity. Still other projects may divert stream flows from the river channel, thus removing water from aquatic habitat.

During relicensing, both pre-project and existing stream flow conditions in the affected area should be noted, and the modifications to project operations to improve fish passage, incubation, rearing and spawning habitat and to reduce other impacts on aquatic habitat should be provided. Both federal and state fish and wildlife agencies have been given authority under section 10(j) of the Federal Power Act to recommend conditions for new FERC licenses that will mitigate project impacts on fish, wildlife and habitat. FERC should cooperate with these agencies to develop improved stream flow, ramping, and period flushing flow requirements for new licenses.

(iii) Impacts to water quality in the project area: Project operations that affect stream flow may also affect water quality. For example, storing water behind dams and similar structures usually results in increased water temperatures, disruption in the movement of sediments, and reduced dissolved oxygen downstream. Reducing stream flows may also reduce the water available for diluting point- and non-point pollution. Rapid release of water below projects can increase total dissolved gas levels, causing gas bubble trauma.

During relicensing, pre-project water quality in the affected area should be analyzed, including those parameters monitored under state, tribal, and federal Clean Water Act regulations. Studies should examine how project operations need to be modified to prevent degradation of existing water quality, or to improve water quality in water quality limited streams. Applicants should describe existing stream flow conditions in the affected area, the characteristics of a natural flow regime in the watershed, and how project operations will be modified to improve access and impacts on aquatic habitat. Conditions must be added to assure the needed modifications. The Council urges FERC to work with the appropriate state's water quality agency to assure compliance under Section 401 of the Clean Water Act.

- (iv) Impacts to ESA-listed species: Hydropower projects are identified as one of the major causes of decline for ESA-listed salmon and steelhead stocks. As such, assessments undertaken by the applicant should provide a scientifically-based rationale demonstrating that the proposed actions protect, mitigate, and enhance salmon and their habitat throughout their life cycle.
- (v) Effective monitoring and evaluation programs: Monitoring of mitigation projects must accurately assess compliance and effectiveness within a watershed context. Much of the already cumbersome licensing process focuses on the details of mitigation and monitoring at individual projects. Continuing the current series of independent and site-specific efforts, without regional or basin-wide coordination, perpetuates a time-consuming and repetitive process, without assuring that the intended benefits to fish habitat and survival are being realized. This approach also makes it impossible to respond to environmental and energy needs in a timely way. Therefore, FERC's efforts to protect, mitigate or enhance aquatic resources should be based on a programmatic, basin-wide perspective and should have appropriately designed monitoring.
- (vi) **Multiple dam effects**: Within any larger watershed, structural configurations, operations and future relicensing of multiple hydropower projects must be evaluated with respect to both singular and cumulative impacts on salmon and habitat.
- (vii) Adaptive management provisions: A structured process of "learning by doing" needs to be included throughout the term of the license by evaluating monitoring data to determine any needed revisions of assumptions, management strategies, or objectives. Applicants must describe the conditions under which project operation and configuration revisions are to be made and the processes for accomplishing those revisions. However, the adaptive management approach should not be used as an excuse to avoid doing studies during the pre-licensing consultation phase. When misused, adaptive management provides an easy excuse to delay implementing on-the-ground mitigation measures for the first decade of a new license while studies are being conducted because good information on project impacts and mitigation was not collected during the consultation period.
- (viii) Alternative licensing process: The Council is concerned by the recent collaborative licensing alternative instituted by FERC. With so many licensing proceedings taking place, it is difficult for the Council and other important stakeholders to effectively engage in the alternative process because of the large time and resource commitment required. Thus, FERC should carefully weigh each licensing proceeding with respect to the alternative process, and defer to the traditional three-stage consultation process if stakeholders provide evidence that the alternative process is inappropriate based upon their available resources. Further, FERC should expedite the adoption of licenses when stakeholders have agreed on license conditions.

The Council is also concerned that FERC often does not support shorter license terms or the reopening of licenses. Such measures would allow for adaptive management of license conditions, and would provide more flexibility for fishery

agencies in their mandate to protect public fishery resources. Given the importance of these multiple licensing proceedings, which will establish new or renewed licenses for decades in the future, the Council recommends that FERC seek flexibility with respect to reopening licenses, as well as shorter license terms. In the standard thirty to fifty years of a FERC license, entire populations of fish can be fragmented or driven to extinction.

Commercial, tribal, and sport fisheries and the communities they support throughout Washington, Oregon, Idaho and California are greatly influenced by the operation of FERC-licensed facilities. FERC must work with stakeholders to balance these economic, cultural and environmental values. Agencies, tribes and other stakeholders cannot fully participate in license and relicensing proceedings unless they have the resources to do so, so both the applicants and FERC must provide these resources. FERC must engage applicants and current license holders early in the process and play a primary role in ensuring that license conditions protect, mitigate and enhance salmon and their critical habitats. In particular, FERC should improve the design and implementation of relicensing studies to ensure that all parties have timely and meaningful input. The burden of proof must not fall on fish and wildlife agencies and the resources they are charged to protect.

The Council strongly believes that during the upcoming relicensing decisions there is both opportunity and means to positively influence the survival of salmon through habitat, flow, and passage improvements. All of us involved in resource use and management have learned much during the first 50 years of dam operations and know that we have the knowledge and ingenuity to meet both our energy needs and to regain and rebuild the health of our salmon resources. We appreciate your attention to our concerns and suggestions.

Sincerely,

DRAFT

Dr. Hans Radtke Chairman Pacific Fishery Management Council

Enc: Section 3.2.5, <u>Potential Impacts and Conservation Measures for Nonfishing Activities</u>
<u>that may affect Salmon Essential Fish Habitat</u>, of Appendix A, <u>Identification and Description</u>
<u>of EFH, Adverse Impacts, and Recommended Conservation Measures For Salmon -</u>
<u>Amendment 14 to the Pacific Coast Salmon Plan</u> (August 1999)

SUPPLEMENTAL HABITAT COMMITTEE REPORT

The Habitat Committee (HC) recommends that a quick response comment letter be sent to NMFS and the U.S. Bureau of Reclamation (USBR) on Klamath Flow issues.

We expect a draft Biological Opinion (BO) as soon as April 12 with a final Opinion due by early June. This provides the Council to provide input before the final BO is complete. Depending on the content of the Draft BO, the HC recommends the points below be included in the draft letter.

Once the Draft BO is released, members of the HC intend to review the BO, prepare a draft letter based on these points, and submit the draft to the Council for fast-track consideration. The HC will work to ensure that Council members have adequate time to review the letter before it needs to be sent.

Klamath Flow Letter Major Issues

Proposed Flows: The Biological Assessment (BA) proposes to operate the Project for the next ten years in a way that will result in flows that are substantially less than what the best available science indicates is required to support healthy fish populations. The river will be in perpetual drought during most water years. The Council should support the Draft Hardy Phase II Flow Study Report recommended flows, which are significantly higher.

April-May Flows: NMFS has already concurred with the USBR that the proposed flows for April and May are not likely to affect coho salmon. These flows are less than one half of the flows recommended for these months by the Draft Hardy Phase II Flow Study Report and will cause loss of virtually all stream margin edge-type habitat required by coho and chinook salmon fry.

Best Available Science: The BO needs to acknowledge that the Draft Hardy Phase II Report represents the best currently available information regarding Klamath River anadromous salmonid habitat and flow needs and should form the major basis for reasonable and prudent alternatives and/or measures that avoid jeopardy. At a minimum, the BO should be allowed to incorporate the concepts in the report as it is finalized.

Length of BO Coverage: The BO should only address one year rather than the ten-year period requested in the BA. There is no reason to lock in operations for a set time frame, especially while controversy exists regarding fish flow needs. A ten-year plan should require going through the National Environmental Policy Act process.

Adverse Impacts on Essential Fish Habitat (EFH): The BA proposes flows which will adversely impact designated EFH. NMFS needs to consult with the USBR and recommend conservation measures to protect coho and chinook salmon habitat (which it has not done for past operations) as required under the Magnuson-Stevens Fishery Conservation and Management Act.

Adverse Economic Impacts: The proposed flows will result in reduced populations of Klamath River coho and chinook salmon, delaying recovery of listed southern Oregon/northern California coast coho and further constraining fisheries that impact Klamath stocks. This will cause continued financial hardship to coastal, Klamath Basin, and tribal communities which are dependent on these fish.

Ramping Rates: The BA does not address ramping rates at Iron Gate Dam, which in the past have stranded and killed salmon. NMFS needs to specify a ramping schedule, as was done in the 2001 BO, that will avoid stranding.

Coordination: The BA does not include the California Department of Fish and Game and the Oregon Department of Fish and Wildlife in coordination relative to flow determinations, emergency flow changes and other issues of resource conservation. The inclusion of the states should be specified in the BO. NMFS should also coordinate the coho BO with the U.S. Fish and Wildlife Service BO on suckers, so that there is a balanced approach regarding the prescribed reasonable and prudent alternatives for endangered suckers and coho salmon.

Received 4/11-02 3:30 pm

ESSENTIAL FISH HABITAT ISSUES

<u>Situation</u>: The Habitat Committee (HC) will meet Monday, April 8, 2002 to develop recommendations on Council Agenda items B.1, Salmon Management - Columbia River flows; D.1, Review Process for CINMS and Update on Other Marine Reserve Processes; E.6, Groundfish FMP EISs; and E.7, Rebuilding Plans.

The HC will also review a new draft letter on Federal Energy Regulatory Commission (FERC) hydropower relicensing which will be presented to the Council for review (Exhibit C.1, Attachment 1). This programmatic letter, which was originally presented to the Council in March, covers issues common to numerous projects which are scheduled for relicensing in the near future. The letter will ensure the Council's policies and recommendations will be presented in a consistent manner for all of the projects.

Other issues that will be discussed at the HC meeting include approaches to identifying and protecting habitat areas of particular concern, essential fish habitat/Magnuson-Stevens Act review, and updates on Klamath flow issues (see Ancillary E for the complete agenda).

Council Action:

- 1. Consider comments and recommendations developed by the HC at the April meeting.
- 2. Consider draft letter to FERC regarding hydropower relicensing.

Reference Materials:

- 1. Habitat Steering Group Agenda (Ancillary E).
- 2. Draft letter to FERC (Exhibit C.1, Attachment 1).

Agenda Order:

a. Report of the HSG

Stuart Ellis

- b. Reports and Comments of Advisory Bodies
- c. Public Comment
- d. Council Action: Consider HC Recommendations and Take Action if Necessary

PFMC 03/25/02