Kilarc-Cow Creek Hydroelectric Project Decommissioning FERC Project No. 606

Public Meetings

September 12th and 13th, 2007



Introductions and Meeting Process



Objectives for Meeting

- Present Preliminary Proposed Decommissioning Plan
- Open 30-day period for public comments
- Provide initial opportunity for comments



Agenda

- Background
- Development of Preliminary Proposed Decommissioning Plan
- Process and Schedule for comments
- Scope of Decommissioning Plan
- Overview of Preliminary Proposed Decommissioning Plan
- Review schedule for License Surrender Process
- Public comments



Background

- PG&E initially sought to renew license to operate, filed Notice of Intent to relicense (2002)
- After performing initial studies and consulting with Relicensing Stakeholders, PG&E decided not to relicense
- Decision Based On:
 - Project economics
 - Anticipated new license conditions
 - Environmental benefits of decommissioning



Background

- Entered into a Project Agreement to implement decommissioning
- PG&E agreed not to seek a new license
- FERC issued "Public Notice" that the license was available
- Several entities evaluated acquiring the license and Project, but failed to file license application
- FERC ordered PG&E to develop a decommissioning plan and file a License Surrender Application by March 2009



Development of Preliminary Proposed Decommissioning Plan

- Project Agreement "Desired Conditions"
- Comments received at public meetings, site visit
- Informal discussions with stakeholders
- Written comments
- Preliminary engineering analysis



Process and Schedule for Comments

- Plan introduced today and posted on the website <u>http://www.kilarccowcreek.com/</u>
- Opens 30-day period for public review and written comment
- Public comments due to PG&E by October 12th
- PG&E reviews comments
- Discuss PG&E's responses to public comments at November 7th/8th meetings



Scope of Decommissioning Plan

- FERC has defined the scope of the decommissioning plan
- Scope is for rendering the Project non-operational, now and in the future (as directed by FERC)
- FERC will conduct an Environmental Assessment

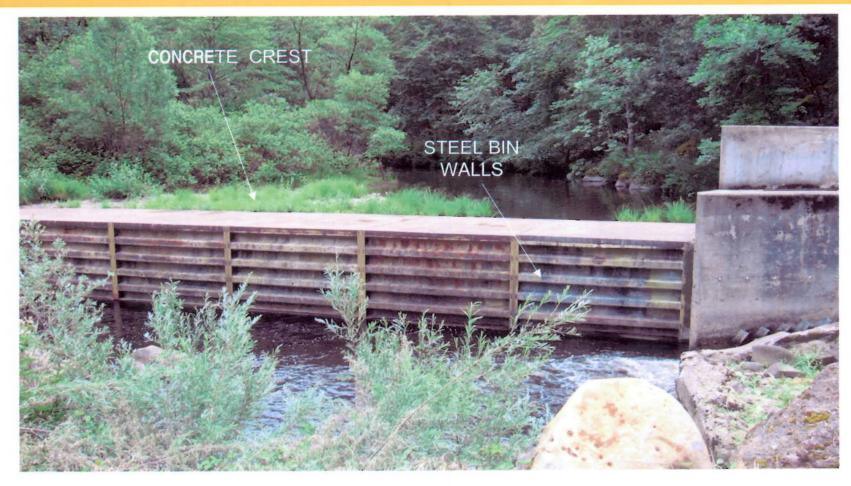


Preliminary Proposed Decommissioning Plan Overview

- Most facilities proposed for removal
- Provides the general scope of decommissioning activities to allow FERC to conduct the Environmental Analysis
- After FERC issues License Surrender Order, PG&E will develop detailed engineering decommissioning plans



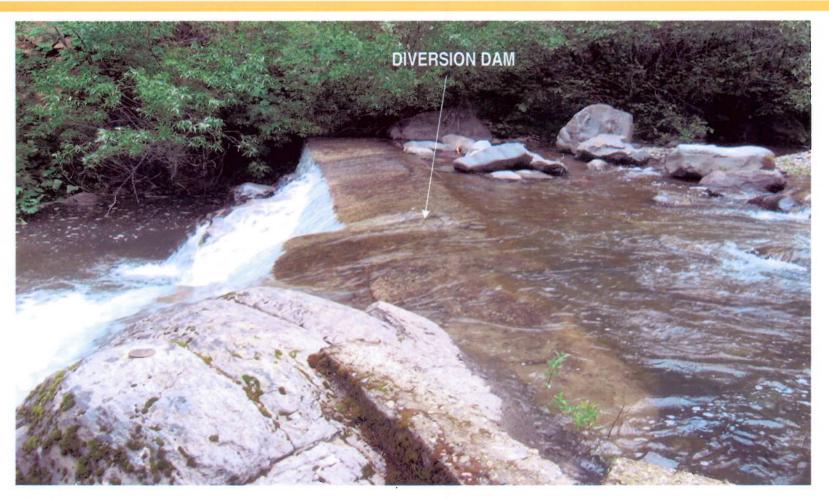
Diversion Dams



South Cow Creek Diversion Dam

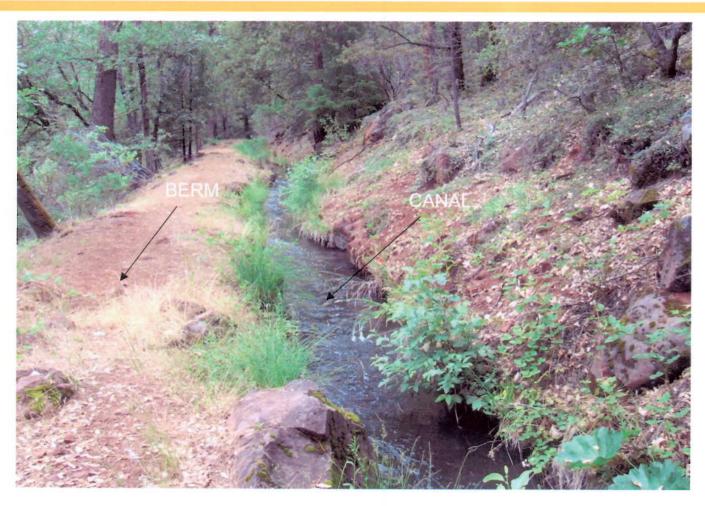


Diversion Dams



Kilarc Diversion Dam





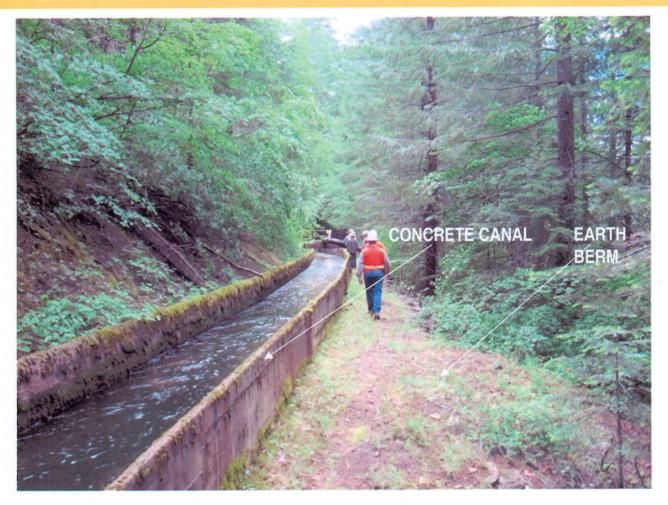
Mill Creek Canal - Earthen Section





Kilarc Main Canal – Shotcrete Lined Section





Kilarc Main Canal – Concrete Section





Kilarc Main Canal - Wooden Flume

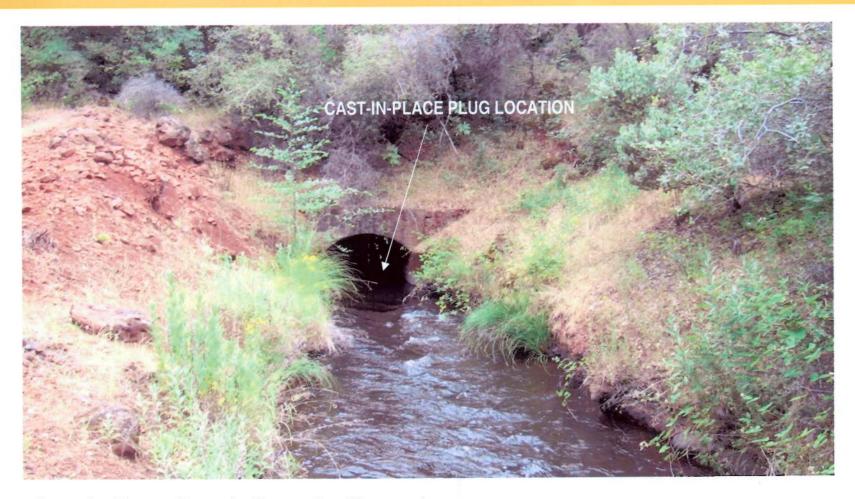




Kilarc Main Canal - Steel Flume



Tunnel



South Cow Creek Canal - Tunnel



Penstocks



Kilarc Penstock



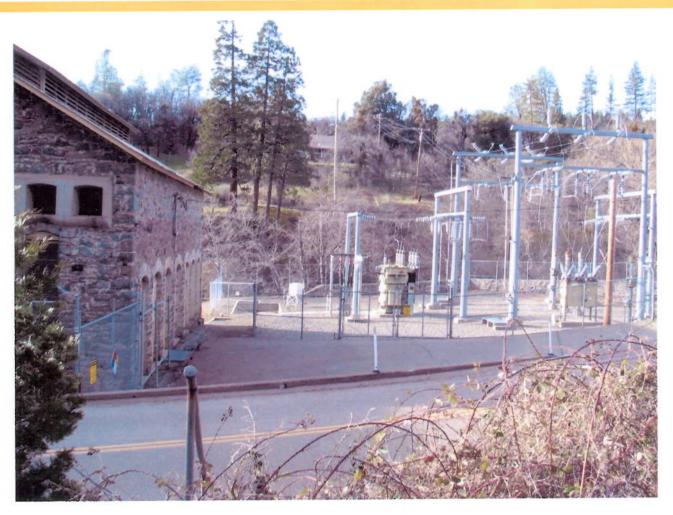
Powerhouses and Switchyards



Kilarc Powerhouse



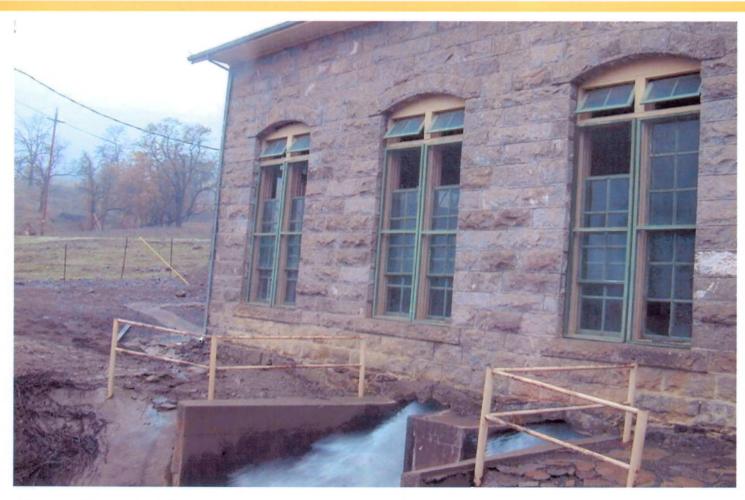
Powerhouses and Switchyards



Kilarc Powerhouse and Switchyard



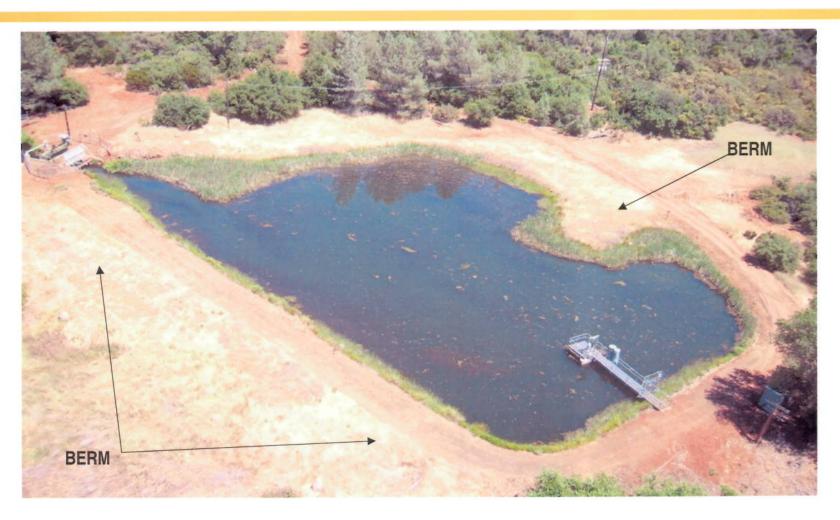
Powerhouses and Switchyards



Cow Creek Powerhouse



Forebays



Cow Creek Forebay



Forebays



Kilarc Forebay



Kilarc Forebay

- Operation for Power Generation
 - Not an Option for PG&E
 - FERC has directed PG&E to render the Project non-operational



Operation by Other Party for Power Generation

- Orphan Phase Passed
- FERC has Ultimate Authority



Kilarc Operation As a Recreation Facility

- PG&E will not operate Kilarc Forebay as a recreation facility
- Issues that would need to be addressed
 - Entity to take-on liability for future operation and maintenance as a recreation facility
 - Procure Water Rights for recreation
 - Upgrade diversion structure to current standards
 - Obtain land rights or easements for public access and facilities
 - FERC approval



Schedule for Decommissioning Plan Review

- Stakeholder comments due to PG&E by October 12th
- Discuss PG&E's responses to stakeholder comments at November 7th/8th meetings



Schedule for Developing License Surrender Application

- Develop Draft License Surrender Application August 2008
 - Incorporates revised Preliminary Proposed Decommissioning Plan
 - Results of any additional studies
- Public comment period
- Final License Surrender Application filed at FERC March 2009



Preliminary Estimated Cost

Activity Phase	Estimated Cost
Preparation and Filing of Surrender Application, including Decommissioning Plan	\$1,000,000
Project Facility Removal	\$8,000,000
Post Decommissioning Monitoring	\$1,400,000
Total Estimated Decommissioning Cost	\$10,400,000



FERC Actions After Filing

- FERC Conducts Environmental Assessment
- Only evaluates decommissioning alternatives
- Issues Order to develop detailed plans (6 month 2 years)
 - PG&E prepares and files engineering removal plan and site restoration plan (6 – 12 months)
 - FERC Orders PG&E to discontinue generation and decommission Project
- PG&E Decommissions Project (2 years)
 - Follow-up monitoring (2 years)



Public Comment

