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January 31, 2008

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

Re: Snohomish County PUD No. 1 Tidal Energy Project Progress Report #2
Deception Pass Tidal Energy Project (P-12687)
Rich Passage Tidal Energy Project (P-12688)
Spieden Channel Tidal Energy Project (P-12689)
Admiralty Inlet Tidal Energy Project (P-12690)
Agate Passage Tidal Energy Project (P-12691)
Sun Juan Channel Tidal Energy Project (P-12692)
Guemes Channel Tidal Energy Project (P-12698)

Dear Ms. Bose:

On February 22, 2007 Public Utility District No. 1 of Snohomish County, Washington (Snohomish) was issued preliminary permits for five tidal energy projects proposed in and around Puget Sound in the State of Washington: Rich Passage, P-12688; Spieden Channel, P-12689; Agate Passage, P-12691; San Juan Channel, P-12692; and Guemes Channel, P-12698. On March 1, 2007 and March 9, 2007 Snohomish was issued preliminary permits for the Deception Pass, P-12687, and Admiralty Inlet, P-12690, sites respectively.

Per the FERC "strict scrutiny" requirements, Snohomish submitted its Schedule of Activities for all seven sites on April 13, 2007 and its first six month Project Progress Report on July 31, 2007.

PROJECT ACTIVITY

Consultation and Outreach

During the past six month period Snohomish has maintained or initiated contact with federal, state, and local agencies and governments, tribal representatives, and other interested stakeholders. In addition to informal email and telephone exchanges, these contacts have included:

- Conducted numerous project overview presentations with a number of local community and service groups;

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- Participated, and provided a project update, at a Washington State ocean energy Legislative Forum on August 30, 2007;
- Met with the staff and leadership of the Environment and Heritage Service in Belfast, Northern Ireland to discuss permitting approach/processes utilized for the licensing of the 1.2 MW Marine Current Turbines “SeaGen” installation planned for Strangford Narrows, Northern Ireland in 2008;
- Met with the staff and leadership of the European Marine Energy Center (EMEC) in Orkney, Scotland to discuss environmental monitoring activities being conducted and planned for EMEC tidal energy device installations;
- Participated on a panel at the FERC Pilot Project Licensing Conference on October 2, 2007 in Portland;
- Conducted a teleconference with FERC representatives on October 16, 2007 to discuss Snohomish Project requirements with respect to Strict Scrutiny and PAD/NOI submission in light of the new Pilot Plant Licensing Process;
- Delivered a project overview presentation at the Electric League Expo on October 17, 2007 in Seattle;
- Conducted a tidal energy project public meeting with residents of Fidalgo Island on October 18, 2007;
- Provided a tidal energy project update/briefing at Naval Station Everett on October 25, 2007;
- Provided a tidal energy overview and project update at the Northwest Straits Marine Resources Committee Conference on Orcas Island on November 3, 2007;
- Provided a tidal energy project overview and study update to the Jefferson County and Port Townsend City councils, Jefferson County Marine Resource Committee, and interested community members on November 6, 2007 in Port Townsend, WA;
- Conducted a tidal project open house/town hall meeting in Everett on November 13, 2007;
- Met with representatives from relevant state and federal agencies and tribal governments to provide a project status report, discuss PreApplication Document preparation, and outline a draft permitting activities timeline. This meeting was held on December 6, 2007 in Bellevue, Washington – a list of attendees is provided in Appendix A;
- Provided a tidal energy project overview and update at the Puget Sound Anglers annual board meeting on January 5, 2008 in Edmonds, WA.

Project Studies and Site Investigation

On January 19, 2007, Snohomish submitted a Technical Proposal in response to a Bonneville Power Administration (BPA) request for proposals for funding support for tidal energy exploration. The Snohomish Proposal was ultimately chosen by BPA to receive a funding grant of approximately \$220,000. Snohomish established partnerships with the University of Washington and the Electric Power Research Institute (EPRI) to execute its tidal energy studies in 2007 which are described in this report.

On May 22, 2007 Snohomish PUD submitted a second Technical Proposal for 2008 BPA fiscal year funding to support ongoing tidal project studies. The Snohomish proposal was again selected by BPA for funding and Snohomish is currently finalizing negotiations with BPA for 2008 fiscal year funding support.

During the past six month period the following study-related work has been conducted:

- Site survey and characterization studies were completed by Snohomish and EPRI for all seven project sites. This study included investigation of:
 - Tidal current regime and resource estimation
 - Sea bottom geology and bathymetry
 - Shipping, fishing, recreational, and other multi-use issues
 - Port facilities
 - Grid interconnection infrastructure
 - Preliminary plant design and economic analysis
- Preliminary commercial and pilot tidal energy plant designs and economic analyses were completed for the Admiralty Inlet site. This same design and analysis effort is currently underway for Snohomish's other Puget Sound sites and will be completed in 2008.
- A project status and planning meeting including team members from Snohomish PUD, EPRI, Devine Tarbell & Associates, BPA and the University of Washington was conducted on August 29, 2007 in Everett, WA.
- Substantial research and outreach/consultation was conducted to gather feedback, data, and information to support preparation of a Pre-Application Document (PAD). The PAD was completed as planned and is being submitted coincident with this Progress Report.
- Detailed Acoustic Doppler Current Profiling (ADCP) measurements and data analysis were conducted for the Admiralty Inlet and Deception Pass sites. An assessment of need for additional ADCP in 2008 is in progress.
- A University of Washington team was established and began development of a suitable tidal current modeling program to facilitate plant design/optimization and the evaluation of potential environmental effects in the Puget Sound. The second phase of model development is now in progress.
- Meetings were held with representatives from several leading tidal energy conversion device developers in both North America and Europe including participation at the European Wave and Tidal Energy Conference in Portugal and site visits at the European Marine Energy Center. These activities are in support

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of Snohomish's Tidal Energy Technology Assessment and Selection Process which began in 2007 and is planned to be completed in 2009.

Media Contacts

The Snohomish Tidal Project has also been the subject of a number of media occurrences during the past 6 months including the following:

- *Utilities put energy into tidal power* -- [Skagit Valley Herald](#), Sunday, July 29, 2007.
- *Wanted: More green power* -- [Seattle P-I](#), Wednesday, August 15, 2007.
- *Puget Sound area leads the charge to tidal energy* -- [Seattle P-I](#), Thursday, August 16, 2007.
- *Testing the waters* -- [High Country News](#), Tuesday, August 21, 2007.
- *Tidal-power research under way* -- [Seattle Times](#), Wednesday, August 29, 2007 .
- *Local utility looks to tidal power as potential source of renewable energy* - [Komo News](#), Thursday, September 20, 2007.
- *Tidal Energy Projects* – [KPLU](#), Thursday, September 20, 2007.
- *Snohomish PUD encouraged by tests for tidal power* – [Associated Press](#), September 2007.
- *Sensors measure power in waters of Admiralty Inlet* - [Seattle PI](#), Thursday, September 20, 2007.
- *PUD tidal power passes first test* – [Everett Herald](#), Thursday, September 20, 2007.
- *PUD moves ahead on tidal project* -- [Seattle Times](#), Wednesday, September 26, 2007.
- *Currents run deep* -- [Whidbey News-Times](#), Thursday, September 27, 2007.
- *Tapping tidal energy: the wave of the future* -- [Seattle Times](#), Sunday, October 07, 2007.
- *PUD to share details on tidal power* -- [Everett Herald](#), Monday, November 12, 2007.

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- *Blue Power – Turning Tides into Electricity* – Environmental Health Perspectives, December 2007.
- *Washington is #3 in the Race to be Green* – Washington CEO Magazine, December 2007.

Please contact me if you have any questions regarding this report, or if you require any additional information on the status of the Snohomish Tidal Energy projects.

Sincerely,



Craig W. Collar
Senior Manager, Energy Resource Development
Snohomish County PUD No. 1

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Appendix A

December 6, 2007 Meeting --Attendance List:

NAME	ORGANIZATION
Kathy Taylor	WA Dept. of Ecology
Brian Peck	US Fish & Wildlife Service
Larry Dominguez	WA Dept. of Natural Resources
Charlene Andrade	WA Dept of Fish & Wildlife
Stan Walsh	Skagit River System Coop
Robert Reuter	WA Dept of Ecology
Jennifer Hennessey	WA Dept of Ecology
Rebekah Padgett	WA Dept of Ecology
Olivia Romano	U.S. Army Corp of Engineers
Annie Szvetcz	WA Governor's Office of Regulatory Assistance
Tom Sibley	National Marine Fisheries Service
Daryl Williams	Tulalip Tribe
Sheila Hosner	WA Governor's Office of Regulatory Assistance
Skip Albertson	WA Dept of Ecology
Keith Kirkendall	National Marine Fisheries Service
Norm Davis	WA Dept of Ecology
Christoph Enderlein Jeff Kallstrom Adam Lewis	Snohomish PUD
Devin Malkin	Devine Tarbell and Assoc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served via e-mail or via the U.S. Postal Service a copy of the foregoing filing upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with Rule 2010 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission.

Dated at Everett, Washington, this 31st day of January, 2008.

A handwritten signature in cursive script, reading "Ray Finnen", is written over a horizontal line.

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