



January 29, 2009

VIA ELECTRONIC FILING

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 #4

- 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 three six-month Project Progress Reports on July 31, 2007, January 31, 2008 and July 31, 2008.

On October 1, 2008, as a result of the feasibility studies discussed below, Snohomish surrendered the preliminary permits for the Rich Passage (P-12688) and Agate Passage (P-12691) sites. FERC issued notice of surrender of preliminary permits for these sites on October 7, 2008.

In addition, on November 5, 2008 Snohomish was designated by FERC as the non-federal representative for the purpose of conducting informal consultation with the National Marine Fisheries Service and U.S. Fish and Wildlife Service pursuant to Section 7 of the Endangered Species Act and the Magnuson-Stevens Fishery Conservation and Management Act for the Admiralty Inlet Tidal Energy Project.

## PROJECT ACTIVITY

### Consultation and Outreach

During the past six month period Snohomish has continued contact with numerous 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;
- Participated, and provided a project update, at the Ocean Research and Resources Advisory Panel meeting in Redmond, Washington on August 4, 2008;
- Participated, and provided a project update, at the UK trade delegation meeting in Seattle, WA on August 22, 2008;
- Provided a project overview and update to a Camano Island environmental stakeholder group on September 17, 2008 on Camano Island, WA;
- Conducted a consultation meeting with numerous federal and state agencies and tribal governments (see Appendix A for attendance list) on September 30, 2008 in Bellevue, WA;
- Met with members of the U.S. Navy/Verdant Power team also working to develop a tidal energy demonstration project in Puget Sound on October 10, 2008 in Lynnwood, WA;
- Provided a project overview and update, along with the University of Washington, to the Director of the Puget Sound Partnership on October 17, 2008 in Seattle, WA;
- Conducted a consultation meeting with numerous federal and state agencies and tribal governments (see Appendix A for attendance list) on November 3, 2008 in Bellevue, WA;
- Provided a project overview and update to the Tulalip Tribes Board of Directors on November 10, 2008 in Tulalip, WA;
- Met with the U.S. Navy tidal energy team on November 13, 2008 in Lynnwood, WA to discuss project collaboration needs and opportunities;
- Provided a project overview and update at the Electric Power Research Institute Marine Energy Interest (EPRI) Group meeting on November 21, 2008 in Whistler, British Columbia;
- Provided a project overview and update to a Camano Island community/environmental stakeholder group on December 6, 2008;

- Met with the U.S. Navy tidal energy team on January 6, 2009 in Lynnwood, WA to discuss environmental study plan development and collaboration;
- Provided a project presentation and update at the Whidbey Island Marine Resources Committee meeting on January 6, 2009 in Coupeville, Washington;
- Participated in the U.S. Navy federal/state agency and tribal government consultation meeting on January 23, 2009 in Bellevue, WA;
- Continued review and associated dialogue with stakeholders regarding formal and informal feedback on the District's Pre-Application Document.

On January 22, 2009 Snohomish conducted a teleconference meeting with the National Marine Fisheries Service (NMFS) and U.S. Fish and Wildlife Service (USFW) to conduct informal consultation pursuant to Section 7 of the Endangered Species Act and the Magnuson-Stevens Fishery Conservation and Management Act for the Admiralty Inlet Tidal Energy Project. Participating in this meeting were Craig Collar, Jeff Kallstrom, and Adam Lewis from Snohomish; Michael Murphy, Devin Malkin, and Gabe Kopp from Devine Tarbell and Associates; Keith Kirkendall, Alicia Bishop, and Lynne Barre from NMFS, and Jim Michaels from USFW.

During the meeting Snohomish provided an update regarding plans for the Admiralty Inlet Pilot Plant, suggested an outline for the draft biological assessment (BA), reviewed a draft project effects matrix, and discussed NMFS's letter dated December 8, 2008 commenting on the Snohomish Pre-Application Document (PAD). During the discussion it was clarified that NMFS' comments on the PAD were responsive to a potential utility scale tidal energy array build out in Puget Sound, not necessarily the smaller-scale Admiralty Pilot Plant proposal itself, for which concerns and study requirements would be reduced and consistent with discussions at recent consultation meetings with NMFS and other state/federal agencies and tribal governments. Also discussed was that while agencies and tribal governments remain largely supportive of the FERC Pilot Plant licensing approach for the Admiralty Pilot Plant, determination of whether or not Admiralty Inlet meets the intent of "sensitive waters" designation remains an uncertainty.

### **Project Studies and Site Investigation**

On June 13, 2008 Snohomish submitted a tidal energy project proposal for an Admiralty Inlet Pilot Plant to the U.S. Department of Energy's (DOE) Advanced Water Power Projects program. Snohomish's project partners for this effort include Electric Power Research Institute (EPRI), the University of Washington (UW), Devine Tarbell and Associates, the National Renewable Energy Laboratory, and Pacific Northwest National Lab. The Snohomish Admiralty Inlet Pilot Plant project was selected by DOE for funding (2-year, \$600K/yr grant). An associated project kickoff meeting was held at Snohomish's headquarters in Everett, WA on December 1, 2008 with representatives from DOE and the National Renewable Energy Laboratory.

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

- Snohomish completed feasibility analysis for the Rich Passage and Agate Passage sites. These locations were determined to not meet Snohomish's criteria for successful tidal energy development and as a result Snohomish has surrendered preliminary permits for both sites.
- Preliminary commercial and pilot tidal energy plant designs and economic analyses were completed for the Deception Pass, Guemes Channel, Spieden Channel, and San Juan Channel sites by the EPRI ocean energy team. Snohomish is currently reviewing these reports.
- In partnership with Snohomish, the UW team continued development of a suitable tidal current modeling program to facilitate plant design/optimization and the evaluation of potential environmental effects in the Puget Sound. Going forward, the UW team is also receiving funding from the DOE Advanced Water Power Program and will be leading the tidal energy elements of the Northwest National Marine Energy Center. This work will include continuation of the modeling efforts as well as working closely with Snohomish on the study and implementation of the Admiralty Inlet Pilot Plant.
- A detailed Request for Proposals and Statements of Qualifications was developed and sent to all leading tidal in-stream energy device developers worldwide on June 6, 2008. This began the formal process by which Snohomish will select the most appropriate tidal energy technologies for its project sites. Snohomish received a dozen responses to the solicitation and through a detailed review process has selected two finalists for the Admiralty Inlet Pilot Plant.
- Dialogue continued with the U.S. Navy and Verdant Power to discuss the Navy's project in association with Verdant to demonstrate tidal energy technology in the Puget Sound. The Navy and Verdant Power currently plan to conduct this project within the boundaries of the Admiralty Inlet preliminary permit held by Snohomish.

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, P.E.  
Senior Manager, Energy Resource Development  
Snohomish County PUD No. 1

## Appendix

Admiralty Inlet In-Stream Tidal Power Project  
Snohomish County PUD No. 1  
Tuesday, September 30, 2008

**Subject:** State and Federal Agency and Tribal Government Meeting Summary

**Attendees:**

- Office of Regulatory Assistance – Sheila Hosner
- US Coast Guard - Diana Wickman
- NOAA Fisheries – Scott Carlon, Alicia Bishop
- Skagit River System Cooperative – Stan Walsh
- US Fish and Wildlife Service – Tim Romanski, Jim Michaels
- Army Corps of Engineers – Vicky Didenhover, Olivia Romano
- WA Dept of Fish and Wildlife – Charlene Andrade, Mark Hunter
- Pacific Northwest National Laboratories – Andrea Copping
- US Navy – Peter Havens, Spencer Horning
- University of Washington – Phil Malte and Brian Polagye (Mechanical Engineering),  
Mitsuhiro Kawase (Ocean Sciences)
- WA Dept of Natural Resources – Brady Scott
- Suquamish Tribe – Tom Ostrom
- National Parks Service – Susan Rosebrough
- WA Dept of Ecology – Norm Davis, Skip Albertson
- Energy Facilities Site Evaluation Council – Alan Fiksdal
- Tulalip Tribes – Daryl Williams
- Puget Sound Partnership – Linda Lyshall
- District – Craig Collar, Adam Lewis, Jeff Kallstrom
- Devine Tarbell and Associates Inc. – Devin Malkin, Gabriel Kopp, Michael Murphy,  
Sandy Flint

Admiralty Inlet In-Stream Tidal Power Project  
Snohomish County PUD No. 1

Monday, November 3, 2008

**Subject:** State and Federal Agency and Tribal Government Meeting

**Attendees:**

- Gov. Office of Regulatory Assistance – Sheila Hosner
- Univ. of Washington – Mitsuhiro Kawase, Brian Polagye, Kristen Thyng, Jim Thomson
- PNNL – Andrea Copping
- Army Corps of Engineers – Randel Perry
- Skagit River System Cooperative – Stan Walsh
- NMFS – Keith Kirkendall, Alicia Bishop
- NRC – Greg Ruggerone
- Sound & Sea Technology – Mike McCallister
- Navy – Steve Towers, Peter Havens
- Suquamish Tribe – Tom Ostrom
- WA Dept of Ecology – Rebekah Padgett
- WA Dept of Fish and Wildlife – Mark Hunter, Charlene Andrade
- Tulalip Tribes – Daryl Williams
- WA Dept of Natural Resources – Brady Scott
- Devine Tarbell and Associates – Devin Malkin, Gabriel Kopp
- District – Craig Collar, Adam Lewis, Jeff Kallstrom

### 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 29<sup>th</sup> day of January, 2009.

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

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