

June 23, 2020

Ms. Breean Zimmerman
Hydropower Projects Manager
Water Quality Program
Washington State Department of Ecology
Central Regional Office
1250 West Alder Street
Union Gap, WA 98903

**Re: CLEAN WATER ACT SECTION 401 WATER QUALITY CERTIFICATION
APPLICATION FOR THE GOLDENDALE ENERGY STORAGE PROJECT, FERC
NO. 14861**

Dear Ms. Zimmerman,

FFP Project 101, LLC requests a Section 401 Water Quality Certification for Federal Energy Regulatory Commission (FERC) license application (FERC No. 14861) for the proposed Goldendale Energy Storage Project (Project) in accordance with the provisions of Chapter 90.48 Revised Code of Washington, Chapter 173-201A Washington Administrative Code, and the Federal Clean Water Act (CWA). The final license application (FLA) was filed with FERC on June 22, 2020 and is available for viewing at the following website: <https://www.ryedevelopment.com/projectstor/goldendale-washington/>

The Project is primarily located in Klickitat County, Washington on the north side of the Columbia River. The Project aerially spans the Columbia River into Oregon, and contains an area in Sherman County where the transmission line will be located. The proposed FERC Project Boundary is shown in Figure 1.1-1 of the FLA.

The proposed Project will consist of an off-stream, closed-loop pumped-storage project with an upper and lower reservoir with over 2,400 feet of maximum gross head that involve no river or stream impoundments, allowing for relatively small water conveyances. Other features include an underground water conveyance tunnel, underground powerhouse, 115 and 500 kilovolt transmission line(s), a substation/switchyard, and other appurtenant facilities.

The Project will utilize variable-speed, pump-turbine generator units and provide balancing services and renewable energy flexible capacity to utilities in the Pacific Northwest and potentially California to decarbonize the electric power system cost-effectively. Reservoirs will be entirely on private land without aquatic impacts to the Columbia River or associated riparian habitats. Water for the Project will be leased from Public Utility District No. 1 of Klickitat County (KPUD), who owns an existing water right and conveyance system adjacent to the proposed Project. The Project's lower reservoir area is located on lands that previously housed the CGA smelter (also known as Harvey Aluminum, Martin Marietta Aluminum, Commonwealth Aluminum, or Goldendale Aluminum). This facility was a primary aluminum reduction smelter that generally operated from 1969 to 2003, with a few periods when the plant shut down or had limited operation.

The proposed Project Boundary encompasses approximately 681.6 acres of mostly private lands owned by NSC Smelter, LLC. All Project land disturbance will occur either on private lands or within an existing utility right-of-way owned by Bonneville Power Administration (BPA). Washington Department of Transportation lands in the Project Boundary will be crossed underground by the Project's tunnels. Washington Department of Natural Resources land within the Project Boundary will be used only for an existing access road. United States (U.S.) Army Corps of Engineers, BNSF, and private lands will be crossed by the Project's aerial transmission line within BPA's existing transmission right-of-way.

Project construction is expected to take approximately five years. Permanent aboveground structures include the upper and lower reservoirs, the water conveyance system, and a transmission interconnection to the John Day Substation. Disturbed areas without permanent project structures will be revegetated after construction.

Proposed Uses of Water

Section 2.1.2.1 of Exhibit E of the FLA provides information on the Project vicinity's water rights and usage. Water rights in the Project vicinity are largely groundwater withdrawals for irrigation use. The next largest grouping is groundwater rights for stock watering and domestic use.

Of the larger surface water rights of the Columbia River in the vicinity of the proposed Project Boundary, the largest surface water right is owned by KPUD, and formerly provided industrial supply the historic CGA smelter. KPUD owns a 15,591 acre-feet per year water right from the former CGA smelter (No. S3-00845C, No. G4-01130C). This water right was gifted to KPUD by a quitclaim deed executed on December 22, 2005. After legal transfer of ownership, this water right was amended for municipal purposes. As mandated by Washington Department of Ecology (Ecology), the water right must be put to beneficial use by 2028. Subsequently, by Washington State law passed unanimously and signed by Governor Christine Gregoire on March 30, 2012, KPUD is expressly authorized to use this water right for a pumped storage generating facility and to sell water for pumped storage projects. The Project will use water purchased from KPUD for the initial filling of the lower reservoir and a small amount of makeup water as needed using an existing pumping station largely in a closed-loop system.

Water Quality Standards and Existing Conditions

Section 2.1.3 of Exhibit E of the FLA provides information on the Project vicinity's water quality. The Columbia River, which flows under the Project's proposed BPA transmission route, forms the border of Washington and Oregon and is included on the impaired waterbodies lists for both states. The Washington 303(d) List was used instead of the Oregon List because the Oregon List includes larger (longer) assessment units and therefore includes additional impairments that have not been found in the Project vicinity. For Washington, there are two assessment units in the Project vicinity. The portion of the river at the transmission route crossing is part of the Lake Celilo assessment unit, which extends upstream to the John Day Dam. The Washington Lake Umatilla assessment unit starts at the John Day Dam and extends upstream.

Washington lists the Columbia River within their Lake Umatilla assessment unit on the latest (2012) 303(d) List of Impaired Waterbodies as impaired for water temperature, and pesticides and polychlorinated biphenyl (PCBs) in tissue. The Lake Celilo assessment unit is listed exclusively for temperature. This 2012 list for Washington waters was approved by U.S. Environmental Protection Agency (USEPA) in 2016. The Lake Umatilla and Lake Celilo assessment units are also included in two Columbia River Total Maximum Daily Load (TMDL) plans: for total dissolved gas in water and dioxins in tissue. Total dissolved gas and dioxin are not listed as impairments on the 2012 303(d) List.

Project-Related Studies and Potential Effects on Water Quality

As discussed in Section 2.1.1 of Exhibit E of the FLA, a wetland and waterbody delineation occurred in May 2019 to document surface features within the Project footprint.

Section 2.2 of Exhibit E of the FLA discusses the potential effects of the Project on water resources, including water quantity and quality.

The Project is not expected to cause any impacts to water quality within or adjacent to the Project area, including to intermittent streams or the Columbia River. Any potential impacts to surface waters due to ground disturbance during construction would be managed through the Project's Erosion and Sediment control plan.

Water Quality Protection, Permitting, and Mitigation Measures

Section 2.3 of Exhibit E of the FLA provides applicant recommendations to minimize and mitigate Project effects to water resources. However, because the Project is a closed-loop system with no outfall to any surface waterbody, the Project would not have any water quality effect on the Columbia River or other surface waterbodies. The Project will obtain a National Pollutant Discharge Elimination System (NPDES) Construction Stormwater General Permit to comply with Washington state law and the federal CWA. The applicant will develop and implement a Soil Erosion Control Plan, a Hazardous Substances Spill Prevention and Cleanup Plan, and an operational adaptive water quality monitoring and management program.

Summary

The applicant has continued to make a good faith effort to reach out to numerous state agencies and interested stakeholders to obtain existing resource information as well as understand potential impacts associated with the project. The Project design, applicant recommendations for mitigation, and resource studies provided in the FLA are a product of stakeholder and agency contributions. FFP Project 101, LLC will continue to work closely with Ecology, other agencies, and stakeholders to ensure that the proposed Project will not negatively affect water resources.

Sincerely,



Erik Steimle

Portland, Oregon

erik@ryedevelopment.com

ATTACHMENT – WATER QUALITY CERTIFICATION APPLICATION (401) FOR EXISTING
HYDROPOWER DAMS FORM



Water Quality Certification Application (401) for Existing Hydropower Dams Form

(For use in Washington State)



Water Quality Certification Hydropower Coordinator Send to:
Water Quality Program
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98501

NOTE: For other permitting and regulatory questions, contact the Office of Regulatory Assistance at 1-800-917-0043, assistance@ora.wa.gov, or www.ora.wa.gov. Use the Joint Aquatic Resources Permit Application (JARPA) for any construction activities.

Please type or print in black ink.

ALSO be sure to complete the Signature Block on page two.

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|---|--|-------------|--------|
| 1. Applicant: FFP Project 101, LLC | | | |
| Mailing address: 220 NW 8th Ave Portland, OR 97209 | | | |
| Work phone: 503-998-0230 | E-mail address: erik@ryedevelopment.com | Home phone: | FAX #: |

If an agent is acting for the applicant during the permit process, complete #2.

| | | | |
|----------------------|-----------------|-------------|--------|
| 2. Authorized agent: | | | |
| Mailing address: | | | |
| Work phone: | E-mail address: | Home phone: | FAX #: |

| | | |
|--|--------------------------------|---|
| 3. Waterbody(s) of FERC project: Off-channel closed loop pumped storage project, with water sourced from KPUD water rights from Columbia R. Is this waterbody on the 303(d) list? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Has, or could, the project contribute to exceedance of any water quality standard? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, what parameter(s)? Website for 303(d) list: http://www.ecy.wa.gov/programs/wq/links/impaired_wtrs.html | Tributary of: Pacific Ocean | WRIA #: 30 Klickitat http://www.ecy.wa.gov/services/gis/data/hydro/wria.gif |
|--|--------------------------------|---|

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| 4. Attached materials: Preliminary SEPA Checklist attached. Goldendale Energy Storage Hydroelectric Project Final License Application (June 2020) available at: https://www.ryedevelopment.com/projectstor/goldendale-washington/ Attach a complete list of all applicable studies, research, summaries, and information that is needed for Ecology to conclude that water quality standards will be met for the project. |
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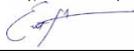
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Application is hereby made for a certification that water quality standards will be met. I will make available to Ecology, upon request, any information necessary for Ecology to make a 401 water quality certification decision. I am familiar with the existing information and believe that it is sufficient to show that water quality standards will be met for this project. To the best of my knowledge and belief, such information is true, complete, and accurate.



6/22/2020

Signature of applicant

Date

Signature of authorized agent

Date

I hereby designate to act as my agent in matters related to this application for permit(s). I understand that if a federal permit is issued, I must sign the permit.



6/22/2020

Signature of applicant

Date

This application **must** be signed by the applicant and the agent, if an authorized agent is designated.

If you need this publication in an alternate format, please contact us at 360-407-6404. If you are a person with a speech or hearing impairment, call 711 or 800-833-6388 for TTY