



FEDERAL ENERGY REGULATORY COMMISSION

Date April 17, 2008
Docket No. P-2114
Item No. H-1

Commissioner Suedeen G. Kelly

Talking Points of Commissioner Suedeen G. Kelly on

PUD No. 2 of Grant County - Priest Rapids Hydro Project Relicense

- In 1955, the Federal Power Commission issued the original license for the Priest Rapids Project. The first unit of the project, costing \$166 million dollars, was to be financed via revenue bonds. Apparently at that time, the bonds were issued in \$1000 dollar denominations.
- Shortly after, according to a July 9, 1956 time magazine article, "in a wall street office...2 shirt-sleeved Washington state wheat farmers tackled a heroic task in a historic cause. As commissioners of Grant County's tiny Public Utility District No. 2, the farmers started signing their names 166,000 times on revenue bonds."
- The article went on to note that the project, which at the time was the nation's third biggest hydroelectric development, offered important public benefits, most notably abundant power to meet the needs of the booming northwest.
- 50-plus years later, while I'm pretty sure 166,000 signatures are no longer needed to facilitate project financing, I am sure that the project benefits continue. Priest Rapids—which is, by the way, the 2nd biggest FERC-licensed project—has something for everyone. It provides a significant and dependable source of power for the Pacific Northwest and other western states. Requirements we incorporated in the license provide important protections for fish and wildlife, as well as enhanced recreational opportunities.
- Moreover, despite the size of this project, and the numerous stakeholders with varied interests involved in its relicensing, the process resulted in 2 settlement agreements regarding fishery resources protections, and, overall, a project that most—and maybe all--stakeholders support. Thanks to staff for its hard work, and to Grant P.U.D. and all stakeholders for working so cooperatively.
- As staff pointed out, there is a potential for significantly more hydro in the U.S...I echo the thoughts of my colleague Jon Wellinghoff, who noted at the recent national hydro association's annual meeting that hydropower deserves as much attention as all other renewable energy resources. Hydro is, as he so aptly put it, the "great uncle" of the renewables family, and I agree that the enormous potential for hydropower must continue to be tapped.
- The Priest Rapids Project is a fine example of why this is so: the project contributes to a diversified generation mix, it provides low-cost energy that displaces non-renewable, fossil-fueled generation, and it creates an environmental benefit by avoiding some power plant emissions.
- I don't know if the 2 "shirt-sleeved Washington state wheat farmers" from so long ago were thinking about greenhouse gas emissions, fishway passages, or terrestrial and aquatic invasive



STATEMENT

species when they signed their names 166,000 times. But I'm confident they would be pleased to know what those 166,000 signatures have reaped.

- With that, I am pleased to vote out this order.