



FEDERAL ENERGY REGULATORY COMMISSION

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FERC Issues First License For Hydrokinetic Energy Project

The Federal Energy Regulatory Commission (FERC) today for the first time issued a license for a hydrokinetic energy project, which will be located in the Pacific Ocean off the coast of Washington State. The license, for the Makah Bay Offshore Wave Pilot Project, includes mitigation measures to protect the environment.

“Hydrokinetic projects have tremendous potential,” FERC Chairman Joseph T. Kelliher said. “The issuance of today’s license is a major step toward realizing that potential, by authorizing a pilot project to demonstrate this promising new technology.”

Commissioner Philip Moeller agreed. “Today is historic as we enter a new energy frontier. For the first time, we allow the harnessing of electricity from wave energy-power that results from the gravitational pull of the moon.

“Consumers are demanding more renewable energy options, especially those sources that are domestic, renewable, and carbon-free,” Moeller added. “I am pleased to approve today’s order because it meets these criteria and demonstrates this Commission’s proactive approach to enable the development of this and other sources of hydropower.”

Today’s decision gives the licensee for the project, Finavera Renewables Ocean Energy, Ltd. (Finavera), a conditioned five-year license for the proposed project. The FERC license is conditioned upon Finavera obtaining all necessary federal permits before they may begin construction. In the meantime, the company may move forward with those portions of the license that do not require any type of construction.

In a Nov. 30, 2007, policy statement FERC said that it may, in certain circumstances, issue conditioned licenses for hydrokinetic projects. “Issuing conditioned licenses for hydrokinetic technologies will have no environmental impact, will not diminish the authority of the states or other federal agencies, and will improve the ability of project developers to secure financing of demonstration projects,” FERC said in its policy statement.

To protect against any potential adverse impacts, the license contains a provision allowing FERC to shut down or remove the project should it find that operation unacceptably affects the surrounding environment.

Additional mitigation measures include: development of an anchoring plan for the underwater transmission cable and monitoring the cable to ensure the line is stationary and free of any entangled debris; assessing the intensity of the electromagnetic field emitted from the underwater transmission and buoy electrical cables; conducting a noise assessment and monitoring marine mammals to evaluate any noise effects and interactions with the buoys; development of a cultural resources plan; and preparing navigation and project



safety plans.

The proposed project, to be located in the Pacific Ocean in Makah Bay 1.9 nautical miles offshore of Waatch Point in Clallam County, Washington, will consist of:

- Four 250-kilowatt steel wave energy conversion buoys and an associated mooring/anchoring and electrical connection system;
- A 3.7-statute-mile-long, direct current underwater transmission cable connecting from one of the buoy's power cables to the shore station;
- A metal shore station with an access road and parking area; and
- A 20-foot, 12-kilovolt transmission line to connect the shore station to the nearby existing Clallam County Public Utility District distribution line.

Finavera must notify FERC once it receives all the necessary state and federal permits for the project. The company also must commence on-site construction of the project within two years from the date of the license and complete construction within three years from the date of the license.

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