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Comments on Proposed Unified Federal Policy for Ensuring a Watershed Approach to Federal Land and Resources Management

This letter provides Pacific Gas and Electric Company's (PG&E) comments on the joint notice (Notice) by the departments of Agriculture and Interior published in the Federal Register on February 22, 2000. The Notice requested comments on the development of a unified federal policy on watershed management under the Clean Water Action Plan.

As an operator of an extensive system of hydroelectric projects located on 16 watersheds in California, PG&E appreciates both the value and the difficulty of prudent watershed planning. The 16 watersheds associated with PG&E's hydroelectric system involve a mixture of federal lands under agencies including the U.S. Department of Agriculture - Forest Service and the U.S. Department of Interior - Bureau of Land Management, and private lands. Together, the PG&E hydroelectric projects produce an average of nearly 12 billion kilowatt-hours of clean, renewable energy.

The Notice states the goal of the proposed policy is to "use a watershed approach to prevent and reduce water pollution resulting from Federal land and resource management activities; and accomplish this in a unified and cost effective manner." The Notice further states a guiding principle of the proposed policy is to "use a consistent and scientific approach to managing Federal lands and resources and to access, protect and restore watersheds." PG&E supports this guiding principle with the understanding that these lands support numerous beneficial uses, one of which is hydroelectric power production. These beneficial uses need to continue. With this in mind PG&E offers the following questions and comments.

1. The policy needs to clarify that the Department of Energy agencies that manage land include the Federal Energy Regulatory Commission (FERC) via its hydroelectric licensing authority. Additionally, the proposed policy will require increased collaboration. In recent years this concept has been significantly advanced in the FERC hydroelectric licensing arena, and PG&E has been involved in several hydroelectric licensing collaborative efforts. There are many competing interests in these forums, so issues can become extremely contentious.

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For example, a very basic point of disagreement is often what constitutes baseline conditions. Different agencies and interest groups may have very different perspectives on this issue and it is important to recognize these differences. On watersheds in which a hydroelectric project is near relicensing, implementation of the policy would need to be closely coordinated with the relicensing process administered by the FERC. Therefore the policy also needs to identify a greater role for "citizen stakeholders" in completing watershed assessments, using collaborative stewardship approaches. For example, do collaborative stewardship approaches provide an opportunity for spreading the costs of doing the assessments, as opposed to the hydroelectric licensee covering all costs when these are done in conjunction with relicensing?

2. How does the proposed policy relate to the Federal Power Act Section 4(e) conditioning authority?

3. PG&E applauds the Notice's emphasis on good science. A scientific basis for decision making and resource allocation is critical. However, certain fundamental questions need to be answered before studies may begin. For example, what is the baseline for assessments -- pre-European settlers, pre-project, or projects-in-place? PG&E also notes that the numerous interests in a watershed may all have their own perspective on what constitutes "good science." Consequently, for the policy to be effective there must be an effort early in the process to seek a consensus among all stakeholders as to what science is need, how it will be developed, and how it will be used. Another issue is that study time and resources may limit the amount of basin specific research and study work that can be accomplished. Where watersheds have similar geomorphology, biology, etc., transferring scientific data, study techniques and other information may be useful tool. However, river systems are complex and often may be unique to themselves. In making decisions on a watershed's goals, objectives, issues, studies, etc., it will be important to apply common sense on how scientific efforts will be focused. How will the decision be made about when to contribute to or sponsor research? Is it the intent to have the licensee fund all the work? Such an approach would seem to move away from the collaborative approach the policy seems to advocate.

4. Among the key elements of the proposal is the concept of creating "living laboratories" for adaptive management. As was noted above, watersheds are typically comprised of numerous interests. PG&E's experience has been that consensus on adaptive management programs is difficult to achieve and the process can be very time consuming.

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5. How will priority watersheds be identified? Will they be linked with watersheds under-going relicensing?

6. The terms "resources" and "resource management activities" seem a bit broad and are never defined or explained. To add context, the policy should give some examples that identify the federal resources and the kind of federal resource management activities which are intended to be coordinated under the policy statement.

PG&E appreciates the opportunity to review and comment on the proposed policy. If you have any questions, please contact me at (415) 973-4054 or Richard Doble at (415) 973-4480.

Sincerely,

Alan Soneda

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