

Project Name	LCFRB / Tacoma Power CRR Program Agreement Settlement Agreement Article 3: CRR Program
Date Proposal Submitted	April 6, 2021
Date of Requested Decision	May 4, 2021
Date Decision was Approved	May 4, 2021
Requested By	Travis Nelson

FTC Decision and Justification

FTC supports the proposal for LCFRB and Tacoma Power to enter into an agreement for LCFRB to provide service to implement the CRR program, to begin in 2021. The LCFRB will provide support to the review and ranking of habitat related proposals in the Cowlitz watershed, through the established Salmon Recovery Funding Board Process and consistent with the current CRR Fund Implementation Strategy. This service will be funded separately from the CRR escrow account. FTC members present included: Department of Fish and Wildlife, Yakama Nation, National Marine Fisheries Service, Ecology, and Tacoma Power.

Proposed Decision or Consideration

Tacoma Power proposes to enter into an Interagency Agreement with the Lower Columbia Fish Recovery Board (LCFRB) to manage the implementation and administration of the CRR Program, specific to habitat projects.

The CRR Program habitat grant round will be integrated into the LCFRB's existing Salmon Recovery Funding Board (SFRB) grant program (Figure 1). All habitat fund applicants will go through the LCFRB's grant round process, whether or not they also apply for SFRB funds. The LCFRB will make funding recommendations to the FTC at the close of each grant round. **The FTC will determine whether recommended projects receive CRR funds.**

The LCFRB also will manage grants administration for habitat projects that are awarded CRR funds by the FTC. Because the CRR Fund is an interest-bearing account, Tacoma and the LCFRB will develop a schedule for fund distribution that balances keeping cash in the CRR Fund for as long as possible while allowing the LCFRB to effectively administer the individual grants awards. Tacoma and the LCFRB will provide regular updates on grants administration to the FTC. Tacoma will include grants administration details in the annual Article 3 CRR Program Report to FERC.

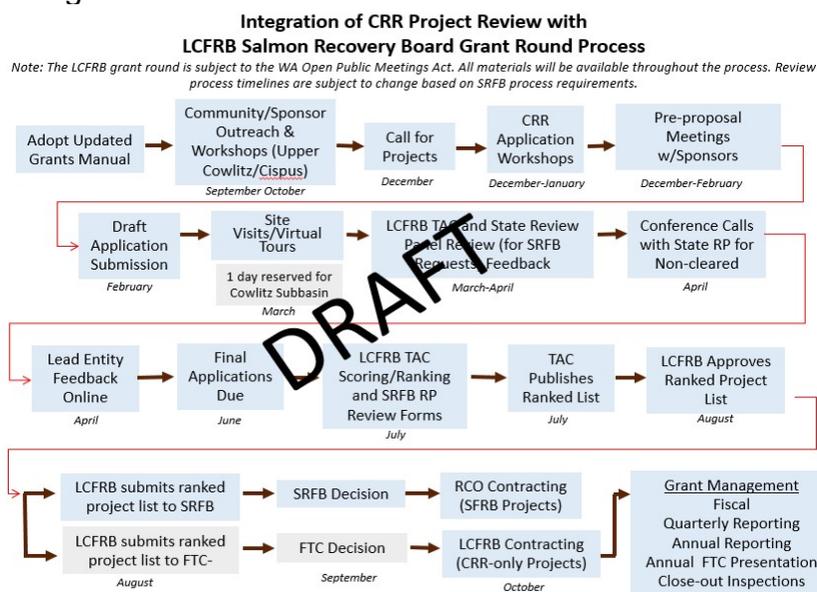
Tacoma Power will reimburse the LCFRB for its services to implement and administer the habitat portion of the CRR Fund as one of two line items under the terms of the interagency agreement. That line item will be paid out of generation/natural resources/operating funds. Tacoma Power will distribute grant award funds to the LCFRB for payment to sponsors as the second line item under terms of the interagency agreement. Grant award funds will be

paid directly from the CRR Fund. **The CRR Fund will not be used to pay for any of the LCFRB services.**

The hatchery related project (HAP) component of the CRR process will remain within FTC for implementation. HAP process will be addressed in a separate decision document.

Given the 2021 LCFRB grant round is underway, the LCFRB may be bringing proposals forward the FTC in 2021 for funding determination.

Figure 1. Draft framework for Integration of the CRR habitat projects into the LCFRB grant round review process for the 2022 grant round. This draft will be referenced in the Interagency Agreement and the final will be in the 2022 grants manual. Details are subject to revision with each grant round.



Background

The Cowlitz Restoration and Recovery (CRR) fund was established and approved by FERC as a grant program to fund habitat and production projects in the Cowlitz Watershed in lieu of upstream volitional fish passage through the Cowlitz Hydroelectric Project.

The joint recommendation to abandon upstream volitional passage by agencies with conditioning authority was completed in 2015. The FTC CRR sub-committee developed an implementation strategy that was approved by FTC in 2017, followed by an initial grant round in 2019. This initial grant round resulted in identification of one project for habitat restoration funding and no projects in production.

The 2019 grant round illuminated opportunities for refinement, resulting in temporary pause on the program in 2020. Currently, there is an opportunity to rejoin LCFRB to restart the CRR program in 2021 through an interagency agreement with LCFRB to continue providing process support into the future.

Coordination Need

A method for equitable distribution of the funds will need to be identified by the FTC to ensure future funding opportunity for both HAB and HAP proposals. Regular updates to the process will be needed from the LCFRB to the FTC to ensure communication of the process is understood and supported by the FTC.

Summary

The CRR Program habitat grant round will be integrated into the LCFRB's existing SFRB grant program. The LCFRB also will manage grants administration for habitat projects that are awarded CRR funds by the FTC. Tacoma Power will reimburse the LCFRB for its services to implement and administer the habitat portion of the CRR Fund using generation/natural resources/operating funds. Tacoma Power will pay grant award funds for distribution by the LCFRB directly from the CRR Fund. **The CRR Fund will not be used to pay for any of the LCFRB services.**

In 2021, the LCFRB may recommend the FTC fund any project in the grant round that would have been otherwise recommended to the SFRB and that also meets CRR Program priorities. Beginning in 2022, the CRR Program will be fully integrated into the LCFRB's grant round.