

#### PETITION FOR REVIEW

Pursuant to 16 U.S.C. § 8251(b) and Federal Rule of Appellate Procedure 15(a), the Hoopa Valley Tribe, a federally recognized Indian tribe, petitions for review of the Federal Energy Regulatory Commission's Order Denying Petition for Declaratory Order, 147 FERC ¶ 61,216 (June 19, 2014) (Exhibit 1) and the Federal Energy Regulatory Commission's Order Denying Rehearing, 149 FERC ¶ 61,038 (October 16, 2014) (Exhibit 2). Both orders are related to the Klamath Hydroelectric Project (FERC Project No. 2082). The Hoopa Valley Tribe requests that the Court set aside the orders and grant such other relief as may be appropriate. Copies of the orders are attached.

Respectfully submitted this 8th day of December, 2014.

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# EXHIBIT 1

# 147 FERC ¶ 61,216 UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman; Philip D. Moeller, John R. Norris, and Tony Clark.

**PacifiCorp** 

Project No. 2082-058

Filed: 12/09/2014

# ORDER DENYING PETITION FOR DECLARATORY ORDER

(Issued June 19, 2014)

The Hoopa Valley Tribe (Tribe) has filed a petition for a declaratory order asking 1. the Commission to find that PacifiCorp, the licensee for the Klamath Hydroelectric Project No. 2082, has failed to diligently pursue relicensing of the project, dismiss PacifiCorp's relicense application, and direct PacifiCorp to file a plan for decommissioning the project. In the alternative, the Tribe asks the Commission to declare that the State of California Water Resources Control Board (California Water Board) and the Oregon Department of Environmental Quality (Oregon DEQ) have waived their authority to issue water quality certification for the project pursuant to the Clean Water Act. This order denies the petition.

# **Background**

- The 169-megawatt Klamath Project is located principally on the Klamath River 2. in Klamath County, Oregon and Siskiyou County, California. The project includes seven hydroelectric developments and one non-generating dam.<sup>2</sup> The Commission's predecessor, the Federal Power Commission, issued a 50-year original license for the project in 1954. The license expired in 2006 and the project has been operated under annual license since that time.<sup>3</sup>
- On February 25, 2004, PacifiCorp filed with the Commission an application for a new license for the Klamath Project. The company proposed to relicense five of the

<sup>&</sup>lt;sup>1</sup> One development is located on Fall Creek, a tributary to the Klamath.

<sup>&</sup>lt;sup>2</sup> See Final Environmental Impact Statement for Hydropower License, Klamath Hydroelectric Project, Federal Energy Regulatory Commission, Office of Energy Projects (November 2007) at xxxiii.

<sup>&</sup>lt;sup>3</sup> See 16 U.S.C. § 808(a)(1) (2012).

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project's generating developments and to decommission the other three developments, including the non-generating development. In November 2007, Commission staff issued a Final Environmental Impact Statement (EIS) in the relicensing proceeding.<sup>4</sup> Staff recommended adopting PacifiCorp's proposal, with the addition of a number of environmental measures.

- 4. On March 5, 2010, PacifiCorp filed with the Commission the Klamath Hydroelectric Settlement Agreement (Settlement Agreement). The Settlement Agreement, which was signed by the Governors of the States of California and Oregon, PacifiCorp, the U.S. Department of the Interior, the Department of Commerce's National Marine Fisheries Service, several Indian tribes (not including the Hoopa Tribe), and a number of local counties, irrigators, and conservation and fishing groups, provided for the future removal of PacifiCorp's licensed Klamath River dams, with a target date of 2020. The parties did not ask the Commission to act on the agreement, the completion of which was contingent on the passage of federal legislation and action by the Secretary of the Interior.
- 5. To date, no federal legislation regarding the Settlement Agreement has been enacted,<sup>5</sup> and the parties have not requested Commission action.
- 6. Under section 401(a)(1) of the Clean Water Act, 6 the Commission may not issue a license authorizing the construction or operation of a hydroelectric project unless the state water quality certifying agency has either issued a Water Quality Certification for the project or has waived certification by failing to act on a request for certification within a reasonable period of time, not to exceed one year.
- 7. PacifiCorp filed a request for water quality certification with the California Water Board on March 29, 2006. Since then, the company has withdrawn and refiled its application eight times. Similarly, PacifiCorp filed a request for certification with Oregon DEQ on March 29, 2006, and has withdrawn and refiled its application eight

<sup>&</sup>lt;sup>4</sup> See n.2, infra.

<sup>&</sup>lt;sup>5</sup> On May 21, 2014, Senator Wyden introduced S. 2379, entitled, "A bill to approve and implement the Klamath Basin agreements, to improve natural resource management, support economic development, and sustain agricultural production in the Klamath River Basin in the public interest and the interest of the United States, and for other purposes."

<sup>&</sup>lt;sup>6</sup> 33 U.S.C. § 1341(a)(1) (2012).

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times. In refiling its applications, PacifiCorp has noted that the Settlement Agreement requires it to do so in order to avoid waiver by the water quality certifying agencies.<sup>7</sup>

- On May 25, 2012, the Tribe filed a petition for a declaratory order, asking the Commission to find that PacifiCorp has failed to diligently pursue relicensing of the project and accordingly require the company to file a plan for decommissioning the project, or, in the alternative, find that California and Oregon have waived water quality certification and issue a new license for the project.
- On June 25, 2012, PacifiCorp, on behalf of itself and 16 other parties, filed an 9. answer opposing the petition. Also on June 25, 2012, the County of Siskiyou and Siskiyou County Flood Control and Water Conservation District filed an answer opposing project decommissioning but urging issuance of a license.

#### **Discussion**

- The Tribe argues that PacifiCorp is not taking action to obtain water quality 10. certification and thus is not diligently pursuing its license application. 8 The Tribe therefore asks the Commission to dismiss the relicense application and require the company to file a plan to decommission the project.9
- We agree with the Tribe that the circumstances of this case are far from ideal. 11. As noted above, Commission staff issued the EIS in November 2007. The Commission could act on PacifiCorp's application but for the absence of water quality certification. 10 The Klamath Project is operating under the terms of the 1954 license, and, as a result, the many environmental benefits that could accrue under the new license have not occurred. 11 Under the express terms of the Clean Water Act, however, the Commission

<sup>&</sup>lt;sup>7</sup> See, e.g., letter from Mark A. Sturtevant (PacifiCorp) to Kimberly D. Bose (Commission Secretary), enclosing December 2, 2013 letter from PacifiCorp to Oregon Department of Water Quality (filed December 16, 2013).

<sup>&</sup>lt;sup>8</sup> Petition at 1-12.

<sup>&</sup>lt;sup>9</sup> *Id.* at 12-13.

<sup>&</sup>lt;sup>10</sup> There is also a need to conclude consultation under the National Historic Preservation Act, but such matters, as a rule, do not delay license issuance.

<sup>&</sup>lt;sup>11</sup> While we cannot and do not consider the license application now, we note, as a general matter, that all licenses we have issued in recent times contain substantially more environmental measures than those issued 50 years ago, before any of the current environmental statutes were enacted and before the Federal Power Act was amended to enhance consideration of environmental matters.

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cannot issue and implement a new license until water quality certification has been issued.

- 12. We also agree with the Tribe that PacifiCorp has been complicit with the parties to the Settlement Agreement in agreeing to delay water quality certification, and that there is no apparent prospect of the federal legislation called for by the settlement being passed or of the necessary actions by the Secretary of the Interior taking place. Again, as the Tribe asserts, infinite delays in licensing proceedings are not in the public interest. Indeed, they are contrary to it.
- 13. Nonetheless, the remedy suggested by the Tribe requiring PacifiCorp to file a decommissioning plan would not resolve the impasse here. Any major decommissioning would likely result in some form of discharge into the navigable waters, meaning that the Commission could not implement decommissioning without a water quality certification. Given that we would be acting contrary to the process envisioned by all the parties to the settlement, including the two water quality certifying agencies, it appears unlikely that the agencies would issue certification for a decommissioning process that did not comport with the terms of the settlement to which they have agreed. It seems more probable that they would either deny certification, thereby precluding decommissioning, or work with PacifiCorp and the other parties to repeatedly delay certification, as has already occurred in this case.
- 14. In addition, while we do have the authority to order a licensee to decommission a project, <sup>14</sup> we have done so only once in the absence of the licensee's consent, upon a finding that the facts of the case required that outcome. <sup>15</sup> Here, we have not concluded based on the record that decommissioning is required, and thus lack a basis for imposing

<sup>&</sup>lt;sup>12</sup> See, e.g., Duke Energy Carolinas, LLC, 120 FERC ¶ 61,054 (2007) at PP 33-36 (stating that Commission could not accept license surrender, which included dam removal, without state water quality certification), reh'g denied, 123 FERC ¶ 61,069 at 17-21) (2008), aff'd, Jackson County v. FERC, 589 F.3d 1284 (D.C. Cir. 2009).

<sup>&</sup>lt;sup>13</sup> Another likely outcome might be for PacifiCorp to file the Settlement Agreement as its decommissioning plan, even though the plan could not be implemented absent Congressional and executive department action.

<sup>&</sup>lt;sup>14</sup> See Edwards Manufacturing Company, Inc. and City of Augusta, Maine, 81 FERC ¶ 61,255 at 62,207-09 (1997).

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such a requirement.<sup>16</sup> We are also unsure how demanding that PacifiCorp file a decommissioning plan when it had already taken substantial steps in that direction in concert with a large number of parties would yield a positive result. If we had a viable way to require the parties to move forward, we would certainly consider it. We do not see such an option before us.

- 15. The Tribe asks that, if we do not dismiss PacifiCorp's license application for lack of diligence and require a decommissioning plan, we issue a license, based on the conclusion that California and Oregon have waived water quality certification by failing to act by the deadline established by the Clean Water Act a reasonable period of time, not to exceed one year from the filing of a request for certification. The Tribe contends that the states' failure to act within one year and their agreement with PacifiCorp not to do so amount to waiver. 18
- 16. Again, we have some sympathy with the Tribe's argument. Indefinite delays in licensing proceedings do not comport with at least the spirit of the Clean Water Act and have the effect of preventing us from issuing new licenses that are best adapted to a current comprehensive plan for improving or developing a waterway in the public interest. We have previously stated that we "cannot endorse procedures that result in undue extensions of the licensing process. . . . [Such an] inordinate delay was hardly what Congress contemplated in crafting the one-year certification deadline."
- 17. In this case, however, we see little to be gained from finding that the states have waived certification and then issuing a license. It is clear that PacifiCorp and the other settling parties are committed to the process envisioned in the Settlement Agreement. PacifiCorp states in its opposition to the petition that it is endeavoring to implement the terms of the Settlement Agreement, and will pursue relicensing if the agreement terminates. Given that we cannot require a licensee to accept a license, and that

Without in any way prejudging the merits of the relicensing proceeding, we note that the EIS prepared by our staff recommended decommissioning only some of the project dams, consist with PacifiCorp's licensing proposal. We would at a minimum seriously consider staff's recommendation in acting in this case.

<sup>&</sup>lt;sup>17</sup> See 33 U.S.C. § 1341(a) (2012).

<sup>&</sup>lt;sup>18</sup> Petition at 14-21.

<sup>&</sup>lt;sup>19</sup> See 16 U.S.C. § 808(a) (2012).

<sup>&</sup>lt;sup>20</sup> Central Vermont Public Service Corporation, 113 FERC  $\P$  61,167, at P 16, n.14 (2005).

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PacifiCorp views itself as bound to follow the settlement, we see little point in pursuing a course that would almost certainly leads to protracted litigation and would be unlikely to resolve the issues in this proceeding.

### The Commission orders:

The petition for declaratory order filed by the Hoopa Valley Tribe on May 25, 2012, is denied.

By the Commission.

(SEAL)

Kimberly D. Bose, Secretary.

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# EXHIBIT 2

# 149 FERC ¶ 61,038 UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;

Philip D. Moeller, Tony Clark,

and Norman C. Bay.

**PacifiCorp** 

Project No. 2082-061

#### ORDER DENYING REHEARING

(Issued October 16, 2014)

The Hoopa Valley Tribe (Tribe) has requested rehearing of the Commission's 1. June 19, 2014, order denying the Tribe's petition for a declaratory order either (1) finding that PacifiCorp, the licensee for the Klamath Hydroelectric Project No. 2082, has failed to diligently pursue relicensing of the project, dismissing PacifiCorp's relicense application, and directing PacifiCorp to file a plan for decommissioning the project, or (2) in the alternative, declaring that the State of California Water Resources Control Board (California Water Board) and the Oregon Department of Environmental Quality (Oregon DEQ) have waived their authority to issue water quality certification for the project pursuant to the Clean Water Act. As discussed below, we deny rehearing.

### **Background**

The 169-megawatt Klamath Project is located principally on the Klamath River 2. in Klamath County, Oregon and Siskiyou County, California.<sup>2</sup> The project includes seven hydroelectric developments and one non-generating dam.<sup>3</sup> The Commission's predecessor, the Federal Power Commission, issued a 50-year original license for the project in 1954. The license expired in 2006 and the project has been operated under annual license since that time.4

<sup>&</sup>lt;sup>1</sup> PacifiCorp, 147 FERC ¶ 61,216 (2014) (June 19 Order).

<sup>&</sup>lt;sup>2</sup> One development is located on Fall Creek, a tributary to the Klamath.

<sup>&</sup>lt;sup>3</sup> See Final Environmental Impact Statement for Hydropower License, Klamath Hydroelectric Project, Federal Energy Regulatory Commission, Office of Energy Projects (November 2007) at xxxiii.

<sup>&</sup>lt;sup>4</sup> See 16 U.S.C. § 808(a)(1) (2012).

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- 3. On February 25, 2004, PacifiCorp filed with the Commission an application for a new license for the Klamath Project. The company proposed to relicense five of the project's generating developments and to decommission the other three developments, including the non-generating development. In November 2007, Commission staff issued a Final Environmental Impact Statement (EIS) in the relicensing proceeding.<sup>5</sup> Staff recommended adopting PacifiCorp's proposal, with the addition of a number of environmental measures.
- 4. On March 5, 2010, PacifiCorp filed with the Commission the Klamath Hydroelectric Settlement Agreement (Settlement Agreement). The Settlement Agreement, which was signed by the Governors of the States of California and Oregon, PacifiCorp, the U.S. Department of the Interior, the Department of Commerce's National Marine Fisheries Service, several Indian tribes (not including the Hoopa Tribe), and a number of local counties, irrigators, and conservation and fishing groups, provided for the future removal of PacifiCorp's licensed Klamath River dams, with a target date of 2020. The parties did not ask the Commission to act on the agreement, the completion of which is contingent on the passage of federal legislation and action by the Secretary of the Interior.
- 5. To date, no federal legislation regarding the Settlement Agreement has been enacted, and the parties have not requested Commission action.
- 6. Under section 401(a)(1) of the Clean Water Act, the Commission may not issue a license authorizing the construction or operation of a hydroelectric project unless the state water quality certifying agency has either issued a Water Quality Certification for the

project or has waived certification by failing to act on a request for certification within a reasonable period of time, not to exceed one year.

7. PacifiCorp filed a request for water quality certification with the California Water Board on March 29, 2006. Since then, the company has withdrawn and refiled its application eight times. Similarly, PacifiCorp filed a request for certification with

<sup>&</sup>lt;sup>5</sup> See n.2, infra.

<sup>&</sup>lt;sup>6</sup> On May 21, 2014, Senator Wyden introduced S. 2379, entitled, "A bill to approve and implement the Klamath Basin agreements, to improve natural resource management, support economic development, and sustain agricultural production in the Klamath River Basin in the public interest and the interest of the United States, and for other purposes."

<sup>&</sup>lt;sup>7</sup> 33 U.S.C. § 1341(a)(1) (2012).

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Oregon DEQ on March 29, 2006, and has withdrawn and refiled its application eight times.

- 8. On May 25, 2012, the Tribe filed a petition for a declaratory order, asking the Commission to find that PacifiCorp has failed to diligently pursue relicensing of the project and accordingly require the company to file a plan for decommissioning the project, or, in the alternative, find that California and Oregon have waived water quality certification and issue a new license for the project.
- 9. In the June 19 order, the Commission denied the Tribe's petition. We explained that, while the circumstances of the Klamath project relicensing are far from ideal, the Commission is barred by the Clean Water Act from issuing a new license in the absence of water quality certification from Oregon and California. We further concluded that ordering PacifiCorp to file a decommissioning plan would be unlikely to resolve the current impasse, given that the great majority of parties to the relicensing are pursuing implementation of the settlement, and that decommissioning would probably require water quality certification, which the states, as supporters of the settlement process, would not likely issue. With respect to the Tribe's assertion that we should find that California and Oregon have waived water quality certification, we found that there was little point in pursuing a course that would almost certainly lead to protracted litigation and would be unlikely to resolve the issues in this proceeding.
- 10. On July 18, 2014, the Tribe filed a timely request for rehearing.

#### **Discussion**

# A. Dismissal of the Relicensing Application

11. The Tribe reiterates its assertions that PacifiCorp is diligently pursuing neither the issuance of a new license nor water quality certification, and that delay in relicensing is not in the public interest. It asserts that our conclusion that a decommissioning plan would require water quality certification that the states would be unlikely to issue is

<sup>&</sup>lt;sup>8</sup> June 19 Order, 147 FERC ¶ 61,216 at P 11.

<sup>&</sup>lt;sup>9</sup> *Id*. P 17.

Request for rehearing at 12-14. The Tribe notes that the Commission has the authority to deny a new license to an applicant seeking relicensing. *Id.* at 14. While this is true, it does not assist us in resolving this case. Denying a new license where no party, other than the Tribe, seeks such a result, and, indeed, where our staff in the Final EIS recommended issuing a new license, would be difficult to justify.

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unsupported by the record and an insufficient basis for denying its petition. <sup>11</sup> The Tribe further argues that, if the Commission were to grant the Tribe's petition, decommissioning would be the only appropriate course of action. It contends that the Commission must not let the settlement process play out, but should either dismiss PacifiCorp's application for lack of prosecution or find that the states have waived water quality certification. <sup>12</sup>

- 12. Given that neither the Federal Power Act nor our regulations impose any requirements with respect to situations such as that presented here, we have considerable discretion with respect to administering this proceeding. Indeed, "the formulation of procedures [is] basically to be left within the discretion of the agencies to which Congress [has] confided the responsibility for substantive judgments." The Tribe points to nothing in law, regulation, or precedent that requires us to find that PacifiCorp's application should be dismissed.
- 13. As we explained in the June 19 order, lengthy delays in licensing proceedings are contrary to the public interest. At the same time, we see little to be gained by taking steps that would likely result in further delay, litigation, and extensive expenditures of time and money by the parties and the Commission. While it is unfortunately the case that there are relicensing proceedings that have been pending for many years awaiting water quality certification, there has been no such instance in which we have dismissed

<sup>&</sup>lt;sup>11</sup> *Id.* at 14-17.

 $<sup>^{12}</sup>$  Id. at 17-20. The Tribe asserts that the fact that we have not taken action on the Settlement Agreement is contrary to our settlement policy. Id. at 5, n.8 (citing Settlements in Hydropower Licensing Proceedings under Part I of the Federal Power Act, 116 FERC  $\P$  61,270 (2006)). Nothing in our policy or practice requires us to act on settlements where, as here, the parties explicitly file an agreement for the Commission's information only, and not for Commission action.

<sup>&</sup>lt;sup>13</sup> Vermont Yankee Nuclear Power Corp. v. Natural Res. Def. Council, 435 U.S. 519, 524-25 (1978).

<sup>&</sup>lt;sup>14</sup> June 19 Order, 147 FERC ¶ 61,216 at P 12.

<sup>&</sup>lt;sup>15</sup> For example, relicensing of the Hells Canyon Project No. 1971 and the Poe Project No. 2107 has been pending since 2003, while the Upper North Fork Feather River relicensing has been awaiting water quality certification since 2002, and the Waterbury Project No. 2090 has been pending since 1999. Of 43 pending license applications regarding which our staff has completed its environmental analysis, 29 (67 percent) are awaiting water quality certification.

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a relicense application for the licensee's failure to diligently pursue the application, in large part because of the confusion such an action would cause and because we have not seen a clear path to resolving the issues in these cases. 16

- 14. We disagree with the Tribe's assertion that we lacked a basis in the record for suggesting that California and Oregon would be no more likely to issue water quality certification for a project decommissioning proceeding than they have been during the relicensing proceeding. In the June 19 Order, we explained that "[g]iven that we would be acting contrary to the process envisioned by all the parties to the settlement, including the two water quality certifying agencies, it appears unlikely that the agencies would issue certification for a decommissioning process that did not comport with the terms of the settlement to which they have agreed." There is indeed no direct evidence in the record as to how the agencies would react were we to grant the Tribe's petition, but our experience, both in this proceeding and generally, led us to conclude that California and Oregon could not be expected to act more promptly to authorize an outcome they do not support than they have in the relicensing proceeding. We continue to find this conclusion reasonable.
- 15. The Tribe is also incorrect in asserting that requiring a decommissioning plan would be the only alternative in the case of a dismissed application. We could, for example, consider the project to be orphaned and seek other applications,<sup>21</sup> or we could issue PacifiCorp a non-power license for all or part of the project.<sup>22</sup>

<sup>&</sup>lt;sup>16</sup> We continue to consider whether there are actions or incentives we can take that may be appropriate in individual proceedings to break these logjams.

<sup>&</sup>lt;sup>17</sup> Request for Rehearing at 16.

<sup>&</sup>lt;sup>18</sup> June 19 Order, 147 FERC ¶ 61,216 at P 13.

<sup>&</sup>lt;sup>19</sup> It is difficult to envision what evidence there could be, absent a statement by the agencies as to what they would do in a hypothetical situation.

<sup>&</sup>lt;sup>20</sup> As noted in the June 19 order, a number of parties, including PacifiCorp, Oregon DEQ, and the California Water Board, opposed the Tribe's petition.

<sup>&</sup>lt;sup>21</sup> See 18 C.F.R. § 61.25 (2014). While this section explicitly deals with instances in which a license fails to file a timely, complete application, we believe that it would be applicable in the case of an application that we elected to dismiss later in a proceeding.

<sup>&</sup>lt;sup>22</sup> See 16 U.S.C. § 808(f) (2012).

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In sum, the Tribe has shown no error in our decision to deny its request that we dismiss PacifiCorp's application and we deny rehearing on this matter.

# B. Waiver of Water Quality Certification

- The Tribe argues that we erred in not determining that California and Oregon have 17. waived water quality certification. The Tribe notes that section 401(a)(1) of the Clean Water Act provides that if a state "fails or refuses to act on a request for certification, within a reasonable time (which shall not exceed one year) after receipt of such request, the certification . . . shall be waived . . . ,"<sup>23</sup> and states that the question whether waiver has occurred is a federal question to be decided by the Commission.<sup>24</sup> The Tribe cites a number of cases, as well as legislative history, for the proposition that Congress intended the one-year deadline to avoid undue state delay of the federal proceedings.<sup>25</sup>
- We agree with the Tribe that continued delays in completing the water quality 18. certification are inconsistent with Congress' intent. We further agree that, in licensing proceedings before it, the Commission has the obligation to determine whether a state has complied with the procedures required by the Clean Water Act, including whether a state has waived certification.<sup>26</sup>
- We part company with the Tribe on whether certification has been waived in this 19. case. The Tribe carefully hedges its argument, maintaining that it "does not ask the Commission to declare that the practice of 'withdrawal and resubmission' is unlawful in every instance,"27 but is so only under the facts of this case, including the states' not acting within one year of the initial certification requests, the passage of time since the original requests, the delay in the relicensing proceeding, the states' agreement with the

<sup>&</sup>lt;sup>23</sup> See 33 U.S.C. § 1341(a)(1) (2012).

<sup>&</sup>lt;sup>24</sup> Request for Rehearing at 20-21.

<sup>&</sup>lt;sup>25</sup> *Id.* at 22-23.

<sup>&</sup>lt;sup>26</sup> See, e.g., Alcoa Power Generating Inc. v. FERC, 643 F.3d 963 (D.C. Cir. 2011) (affirming, as a federal question, the Commission's determination that a state had not waived certification); City of Tacoma v. FERC, 460 F.3d 53 (D.C. Cir. 2006) (stating that the Commission was obligated to inquire as to whether a state satisfied the Clean Water Act's notice requirements); Keating v. FERC, 927 F.2d 616 (D.C. Cir. 1991) (holding that the Commission was obligated to determine the effectiveness of a state's purported revocation of certification).

<sup>&</sup>lt;sup>27</sup> Request for Rehearing at 25.

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licensee not to move forward on certification, and the fact the licensee continues to operate its project under the terms of its existing license. <sup>28</sup>

- We continue to be concerned that states and licensees that engage in repeated 20. withdrawal and refiling of applications for water quality certification are acting, in many cases, contrary to the public interest by delaying the issuance of new licenses that better meet current-day conditions than those issued many decades ago, and that these entities are clearly violating the spirit of the Clean Water Act by failing to provide reasonably expeditious state decisions; however, notwithstanding that concern, we do not conclude that they have violated the letter of that statute. Section 401(a)(1) provides that a state waives certification when it does not act on an application within one year. The Act therefore speaks solely to state action or inaction, rather than the repeated withdrawal and refiling of applications. By withdrawing its applications before a year has passed, and presenting the states with new applications, PacifiCorp has, albeit repeatedly, given the states new deadlines. The record does not reveal that either state has in any instance failed to act on an application that has been before it for more than one year. Again, while the Commission continues to be concerned that these entities are violating the spirit of the Clean Water Act, the particular circumstances here, including the length of the delay, do not demand a different result because the Act speaks directly only to state action within one year of a certification request. Accordingly, we find that California and Oregon have not waived water quality certification in this case.
- 21. The Tribe's reliance on Central Vermont Public Service Corporation<sup>29</sup> is unavailing. In that case, although the state and the licensee had agreed that the licensee would withdraw and refile its water quality certification application on an annual basis, the licensee ultimately failed to do so and the state did not act on the then-pending application before the one-year deadline. We held that the passage of the deadline resulted in waiver, regardless of the fact that the two parties had intended to continue the withdrawal and refiling process: the governing fact was the expiration of the one-year period.<sup>30</sup> Here, whether for good or ill, PacifiCorp has withdrawn and refiled its certification applications numerous times. The Tribe does not assert that the states missed the one-year deadline with respect to any single one of the company's applications. In essence, PacifiCorp and the states have avoided the error that Vermont and the licensee in that proceeding made. Accordingly, Central Vermont is inapposite here.

<sup>&</sup>lt;sup>28</sup> *Id.* at 25-26.

 $<sup>^{29}</sup>$  113 FERC  $\P$  61,167 (2005) (Central Vermont). See Request for Rehearing at 23-24.

<sup>&</sup>lt;sup>30</sup> See Central Vermont 113 FERC  $\P$  61,167 at PP 15-16.

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22. The Tribe goes on to argue that our decision not to declare that California and Oregon have waived water quality certification is arbitrary, capricious, and an abuse of discretion. The Tribe again asserts that our conclusions that the parties to the settlement are committed to it is unsupported by the record and that the public interest requires us to issue a new license or a decommissioning order.<sup>31</sup>

23. As we have explained, it is the Clean Water Act that prescribes when a state agency has waived certification; it is not an exercise of discretion vested in the Commission. If our interpretation of the statute is incorrect, that would be for the courts to determine.<sup>32</sup> As to the adherence of the settling parties to their agreement, we have no way of knowing how firm their commitment is, but we think it a reasonable assumption that entities will support an agreement which they have voluntarily negotiated and signed.

<sup>&</sup>lt;sup>31</sup> Request for Rehearing at 26-30. The Tribe also objects to what it asserts is the Commission's "failure to reinitiate the licensing process [because] it cannot require a licensee to accept a license." Id. at 29. In the June 19 Order, 147 FERC ¶ 61,216 at P 17, we simply intended to indicate that the likely negative reaction to our issuing a license that ignored the wishes of the settling parties gave us little incentive to pursue untested legal theories. We nonetheless fully agree with the Tribe that we must issue licenses that satisfy the public interest standards established by the Federal Power Act, and we do not base licensing decisions on whether the applicant (or any other entity) will be pleased by our actions. We further agree, as noted above, that a new license would bring the project in line with current environmental standards. Were we to determine that water quality certification has been waived here, we would then issue a license that we concluded met the public interest, as we have done in other cases involving waiver. See, e.g., Central Vermont, supra; FPL Energy Maine Hydro LLC, 139 FERC ¶ 61,215 (2012); Virginia Electric Power Company d/b/a Dominion Virginia Power/Dominion North Carolina Power, 110 FERC ¶ 61,241 (2005); Gustavus Electric Company, 109 FERC ¶ 61,105, reh'g denied, 110 FERC ¶ 61,334 (2004).

<sup>&</sup>lt;sup>32</sup> See Alabama Rivers Alliance v. FERC, 325 F.3d 290, 296-97 (D.C.Cir.2003) (noting that the Commission's interpretation of Section 401 of the Clean Water Act is entitled to no deference by the court because the Environmental Protection Agency, and not the Commission, is charged with administering the Clean Water Act, and that judicial review of the Commission's interpretation of Section 401 is de novo).

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# The Commission orders:

The request for rehearing filed by the Hoopa Valley Tribe on July 18, 2014, is denied.

By the Commission.

(SEAL)

Kimberly D. Bose, Secretary.

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#### CERTIFICATE OF FILING AND SERVICE

I hereby certify that on December 8, 2014, I sent for filing the original and four copies of the Hoopa Valley Tribe's Petition for Review, via Federal Express Overnight Delivery, to:

Mark Langer, Clerk U.S. Court of Appeals - D.C. Circuit 333 Constitution Avenue, NW, Room 5205 Washington, DC 20001

I further hereby certify that on December 8, 2014, a true and accurate copy of the Hoopa Valley Tribe's Petition for Review was served on the following parties that participated in the agency sub-docket proceeding below (P-2082-058; P-2082-061):

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426 (served by first class mail)

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Attorneys for County of Siskiyou and Siskiyou County Flood Control and Water Cons. Dist. (served by electronic mail and first class mail)

I further certify that on December 8, 2014, a true and accurate copy of the Hoopa Valley Tribe's Petition for Review was also served upon each person designated on the official service list compiled by the Secretary in the agency proceeding below (P-2082). A copy of the official

service list is attached hereto as Attachment A. Service was accomplished by electronic mail or by first class mail if no e-mail address was provided.

I declare the above to be true and correct under penalty of perjury.

Executed this 8th day of December, 2014.

MORISSET, SCHLOSSER, JOZWIAK & SOMERVILLE

Thomas P. Schlosser, Attorney for Petitioner

 $T: WPDOCS \0020 \09773 \FERC \Section 401 \Petition for Review\_01. doctds: 12/4/14$ 

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