



2020 Rock Island Early Action Proposals Review and Recommendation

June 15, 2020



CHELAN COUNTY

What we will cover today...

- Early action overview
- Summary of four proposals received
- Results of staff evaluation
- **Seeking Board approval of four recommended projects for early action**



Mission

To enhance the quality of life
in Chelan County by providing
sustainable, reliable utility services

Vision

In a rapidly changing utility
environment, we will provide
**The Best Value for the
Most People for the Longest Time**

Rock Island Relicensing and Early Action

1. We will pursue the identification of actions that could result in early action credit toward a 50-year license for Rock Island Dam.
2. Any such actions must be identified with commitments by 2023 to align with the relicensing schedule.
3. Hydropower early actions will be identified through the normal business planning process.
4. We will solicit for potential recreational and environmental early actions in 2020.
5. We are willing to put up limited funding (approximately \$125,000 total) to evaluate/develop potential early actions.
6. We will require commitments from project sponsors that they will support a 50-year license term.



Recreation Benchmarking Data

EUCG Benchmarking Data: Dollars Spent on Recreation / Net MW of Plant Production

Benchmark Year	2013	2014	2015	2016	2017	2018
# Plants in Benchmark	33	34	32	29	29	24
Average Cost / net MW ¹	\$1.02	\$1.02	\$1.06	\$1.10	\$1.07	\$0.73
Rocky Reach Cost / net MW	\$1.90	\$2.07	\$2.25	\$2.38	\$2.18	\$2.58
Rock Island Cost / net MW	\$3.15	\$3.47	\$4.25	\$3.73	\$4.00	\$3.81
Rocky Reach Rank ²	5	4	4	4	4	2
Rock Island Rank ²	3	3	2	2	2	1

1) This is the average cost spent by all of the plants in the benchmark study that year

2) Ranked from most spent to least spent, 1 is most spent

Description: This is EUCG (Electrical Utility Costing Group) benchmarking data collected from hydro plants with a net capacity of >400 MW in North America. The costs include operations and maintenance dollars spent on recreation from labor, contracts and other sources.

Early Action Criteria

1

Project nexus and support for 50-year license

2

Proposal supports recreation, public access, environmental stewardship, education, cultural resources

3

Cost sharing and partnership opportunities

4

Demonstrated public support

Early Action Proposal Evaluation Value Framework

Value Group	Value Measure	Early Action Topic
Environmental Stewardship	Environmental Impact Risk	Environmental Value
Stakeholder / Customer Relations	Public Perception & Stakeholder Relations	Recreation Value
		Educational Value
		Economic Value
		Cost Sharing Value



Value Points applied for each topic area

Value/Cost Ratio Assignment

$$\text{Value/Cost Ratio} = \frac{\text{Value Points} \times \text{Project Achievability}}{\text{Cost Points}}$$

(estimated Chelan PUD cost over license term)

Project Achievability considers authority, nexus, consistency of stakeholder support, clarity of proposal, executability

Project Cost	Cost Points
<\$50k	30
>\$50k	00
>\$150k	300
>\$500k	1000
>\$1.5M	3,000
>\$5M	10,000
>\$15M	30,000
>\$50M	100,000

Proposal Evaluation Summary Table

	Proponent	Project	Proposal for Early Action (if different from Project)	Funding Request (\$)	Value/ Cost Ratio (Low \$)	Value/ Cost Ratio (High \$)
#1	Chelan County & Malaga-Colockum Comm Council	Malaga Waterfront Park	Site suitability & traffic impact studies	\$37,500	2.96	0.89
#2a	City of Rock Island	RI Ponds & Col. R. Waterfront Recreation Enhancements	Develop Vision & Strategic Plan	\$63,282	0.10	0.03
#2b	Chelan PUD (Alt)	Enhance RI Pond Access @ PUD sites	Evaluate access enhancement	\$30,000	3.20	1.07
#3a	NCW Audubon Society	RI Pond Recreational Enhancements	Conduct baseline studies	\$60,000	0.27	0.08
#3b		Enhance Bird Viewing at RI Ponds	Establish long-term bird species survey	\$20,000	24.33	24.33
#3c		Reestablish water in the Horan Area		N/A	>\$125k	
#3d		Site honoring Native American history		N/A	>\$125k	
#3e		Vegetation mgmt plan in Horan Area		\$100,000	1.00	1.00
#3f		Construct a multi-purpose nature center		N/A	>\$125k	
#3g		Redesign the Horan Area trail		\$35,000	29.33	8.80
#3h		Reduce radio tower wire footprint	Explore the reduction of the footprint	\$30,000	0.13	0.04
#3i		Remove chain link fence along Horan trail		\$5,000	2.17	2.17
#3j		Purchase private lands in Horan Area		N/A	>\$125k	
#3k		Reestablish Miller trading post		N/A	>\$125k	
#4a	City of Wenatchee	Improve Loop Trail in Wenatchee	Conduct a study of options	\$70,000	29.33	2.93
#4b	Chelan PUD (Alt)	Study portions of Loop Trail @ PUD sites	Evaluate options for trail improvements	\$30,000	33.00	3.30

Recommended Early Actions for Board Approval

	Proponent	Proposal for Early Action	Recommended Funding Level (up to amounts)
#1	Chelan County & Malaga-Colockum Comm Council	Provide shared cost to study site suitability & traffic impact for a proposed future Malaga Park	\$37,500
#2b	Chelan PUD/City of Rock Island	Study options to enhance RI Pond Access Points owned by PUD	\$30,000
#3g/3b	NCW Audubon Society	Study redesign of Horan Area trail system & implement ongoing bird surveys at Rock Island ponds	\$30,000
#4b	Chelan PUD/City of Wenatchee	Study options to improve safety of portions of Apple Capital Loop Trail at PUD parks (Pybus Public Market to Walla Walla Point Park area)	\$30,000
Total			\$127,500

Proposals above are contingent upon parties attesting to a “good faith” commitment to support a 50-year license as part of a *Memorandum of Understanding*

Any proposal not selected for early action can be brought forward during the normal relicensing timeframe

