June 11, 2014

Members of the Marine Aquatic Resources Committee
for the Admiralty Inlet Pilot Tidal Project

Re: Materials for Consideration at July 1, 2014, MARC Meeting
Admiralty Inlet Pilot Tidal Project, FERC Project No. 12690-005

Members of the MARC,

On March 20, 2014, the District received a Pilot Project License for the Admiralty Inlet Project. The District is now proposing minor revisions to the Benthic Habitat Monitoring and Mitigation Plan, the Marine Mammal Monitoring and Mitigation Plan, the Derelict Gear Monitoring Plan, and Article 410 in-water work windows. The proposed modifications are described in the following attachments:

Attachment 1, proposed revisions to the Benthic Habitat Plan
Attachment 2, proposed revisions to the Marine Mammal Plan and Derelict Gear Plan
Attachment 3, proposed revision to the Article 410 in-water work windows

The License permits the above listed plans and in-water work windows to be revised with Commission approval, following consultation with the members of the MARC. Proposed revisions to the Benthic Habitat Plan must also be approved by Washington Ecology and National Marine Fisheries Service. Through this letter, the District is initiating consultation with the MARC members for purposes of obtaining the necessary approvals.

The District requests that MARC members submit any comments and recommendations on the proposed revisions by July 11, 2014. Upon completion of consultation and obtaining the necessary approvals, the District will file these proposed revisions with FERC for approval. Following FERC’s approval, the District will implement the proposed revisions.

We look forward to discussing these items with you at the July 1, 2014, MARC meeting. If you have any questions before the meeting or would like more information, please contact me at jlspahr@sнопud.com or at (425) 783-8132.

Best regards,

[Signature]
Jessica Spahr

Attachments
Proposed revisions to the Benthic Habitat Monitoring and Mitigation Plan

License Article 405 requires the District to implement the Benthic Habitat Mitigation and Monitoring Plan filed November 16, 2012. Prior to issuance of the Project License, the Washington Department of Natural Resources (DNR) requested revisions to the Benthic Habitat Plan to improve the quality of data gathered regarding the Project. DNR expressed concern that the ROV used for benthic surveys was not required to include a method to estimate the size of cobbles and sediment, and without such a method the images and video taken by the ROV was of reduced value. DNR also noted that, depending on what is discovered during ROV surveys in the first year of turbine operations, there may be a need for more than two ROV surveys in the second year of turbine operations.

To clarify the requirements for the ROV and the frequency of ROV surveys, the District is proposing the following revisions to the Benthic Habitat Plan:

1. In Section 5.1.2, under “Equipment Description,” add the following sentence: “The ROV will include a scale or other method for estimating sediment, gravel, and cobble size.”

2. In Section 5.12, under “Survey Procedure,” revise the first paragraph to read (underlined text is new text, no text is deleted):

   “Four ROV surveys will be conducted during the first year of turbine operation. For the second year of turbine operations, the District will conduct the number of surveys determined by the MARC pursuant to Adaptive Management Trigger 5. Thereafter, beginning with the third year of turbine operations, there will be two surveys per year.”

3. In Section 6.0, add a new Adaptive Management and Mitigation Trigger 5 to read as follows:

   “Adaptive Management and Mitigation Trigger 5: Within 90 days after the conclusion of the first year of turbine operations, the District will consult with the MARC to determine whether the second year of turbine operation should include two ROV surveys or four ROV surveys. The District will conduct either two or four ROV surveys in the second year as determined by the MARC.”

These changes are reflected in the redlined Benthic Habitat Plan that accompanies this letter.

Upon approval of these revisions by the MARC, the District will file the revised plan with FERC for approval. Following FERC’s approval, the District will implement the revised plan.
Proposed revisions to the Marine Mammal Monitoring and Mitigation Plan, the Derelict Gear Monitoring Plan, and the Adaptive Management Framework

On December 3, 2013, NFMS issued a Biological Opinion for the Project. The Biological Opinion listed several Terms and Conditions necessary to implement Reasonable and Prudent Measures necessary to minimize the amount or extent of incidental take. Term and Condition number 9 requires the District to:

“obtain documented approval from NMFS for all changes to the Adaptive Management Framework (Appendix A) and Monitoring and Mitigation plans (Appendices B-F) that affect ESA-listed species or NMFS authorities; and for approval of implementation of mitigation measures, based on adaptive management. The licensee will file all changes with FERC after approval by NMFS.”

In the Project License, FERC included this NMFS approval provision in the license articles requiring implementation of the Benthic Habitat Monitoring and Mitigation Plan (Article 405), the Acoustic Monitoring and Mitigation Plan (Article 404), and the Near-Turbine Monitoring and Mitigation Plan (Article 406). However, FERC did not include the provision in the license articles requiring implementation of the Marine Mammal Monitoring and Mitigation Plan (Article 407) or the Derelict Gear Monitoring Plan (Article 409). Further, since FERC did not require compliance with the Adaptive Management Framework, FERC did not include NMFS’s condition with respect to the Framework either.

Rather than seek revisions to the applicable license articles, NMFS and the District agreed to revise the affected plans through the adaptive management process. To implement the requirements of Term and Condition number 9, the following revisions are required:

1. In the Marine Mammal Monitoring and Mitigation Plan, add the following sentence at the end of Section 6.0, following the list of items to be included in the annual report:

   “Any proposed modifications to this Plan shall be approved by NMFS before submittal to FERC for approval.”

2. In the Derelict Gear Monitoring Plan, add the following sentence at the end of Section 4.0 (such that the new sentence would be the last sentence in that section):

   “Any proposed modifications to this Plan shall be approved by NMFS before submittal to FERC for approval.”

3. In the Adaptive Management Framework, add a new Section 2.6 that reads as follows:

   “Revisions and changes to this Adaptive Management Framework must be unanimously approved by all of the Members, including obtaining the approval of National Marine Fisheries Service. Upon approval by all of the Members, the
District and the Members will implement the protocols and requirements contained in the revised Adaptive Management Framework.”

4. In Section 1.0 of the Adaptive Management Framework, revise the plan names to reflect name changes that have occurred since the Framework was initially drafted. The revised list reads (with changes shown in blackline):

“(1) the Marine Mammal Monitoring and Mitigation Plan; (2) the Near-Field Turbine Monitoring and Mitigation Plan; (3) the Derelict Gear Monitoring and Removal Plan; (4) the Benthic Habitat Monitoring and Mitigation Plan; and (5) the Acoustic Monitoring and Mitigation Plan.”

These changes are reflected in the redlined Marine Mammal Monitoring and Mitigation Plan, Derelict Gear Monitoring Plan, and Adaptive Management Framework that accompany this letter.

Upon approval of these revisions by the MARC, the District will file the revised Marine Mammal and Derelict Gear plans with FERC for approval. Following FERC’s approval of these plans, the District will implement the revised plans. The Project license does not require the District to obtain FERC approval for changes to the Adaptive Management Framework, therefore the District will implement the revised Framework upon approval by the MARC.
Proposed revisions to the In-Water Work Windows Applicable to the Project

The August 9, 2013, Environmental Assessment prepared by FERC limits in-water construction to the work window beginning July 16 and ending October 14 of each year. This schedule is a combination of work windows for various species managed by the Washington Department of Fish and Wildlife (WDFW) and the Army Corps of Engineers. Those species are adult salmon, bull trout, juvenile salmonids, Pacific herring, and Pacific sand lance. This combined window was incorporated into the Project license in Article 410. The following graphic depicts the individual components of the combined work window.

![In-Water Work Windows](image)

From October 15 through December 14, the only applicable work window is for protection of Pacific sand lance, and the window applies to work in or adjacent to Pacific sand lance spawning beds. See WAC 220-110-271(1). The Hydraulic Project Approval, issued by WDFW, requires adherence to the work windows for juvenile salmonids, Pacific herring, and rock sole, but does not include the work window for the Pacific sand lance.

The work window for the Pacific sand lance applies to “projects in or adjacent to Pacific sand lance spawning beds.” No documented Pacific sand lance spawning beds are present on the west side of Whidbey Island adjacent to the Project location (WDFW Forage Fish Spawning Data, 2014). Further, Pacific sand lance spawning occurs at high tide in shallow water on sand-gravel and sand beaches (Washington Department of Ecology, Puget Sound Shorelines Species, 2014). The only Project operations occurring near the beach are the horizontal directional drilling (HDD) activities. HDD activities have been specifically designed to avoid any impact to the Whidbey Island beach, with an HDD exit point at the 19 meter depth contour, well below the area where Pacific sand lance spawn. Other Project activities occurring in the water, such as installation of the subsea cable and deployment of the turbines, occur in the deep waters of Admiralty Inlet, well away from the Whidbey Island beaches.

The District discussed and received concurrence on the proposed in-water work window revision from the WDFW Area Habitat Biologist assigned to the Project. The habitat biologist agrees that Pacific sand lance are not present in the Project area and that, even if they were present, Project
operations would not impact Pacific sand lance spawning habitat. As a result, the WDFW Area Habitat Biologist supports the proposed revision to the in-water work window.

The District proposes to revise Article 410 of the Project license to read as follows (revisions shown in blackline):

“In-water Construction Schedule. All in-water construction shall be conducted during a work window of July 16 to October 14, December 14, or outside of this work window only by agreement with the National Marine Fisheries Service, U.S. Fish and Wildlife Service, Washington Department of Fish and Wildlife, Washington Department of Ecology, Washington Department of Natural Resources, the Tulalip Tribes, Suquamish Tribe, Swinomish Indian Tribal Community, and Sauk-Suiattle Tribe. If in consultation with the above entities, the work window changes or is inconsistent with the water quality certificate, the licensee shall notify the Commission and file an application to amend the license accordingly.”

Upon approval of this revision by the MARC, the District will file a document with FERC requesting the change to Article 410 reflected above.