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FEDERAL ENERGY REGULATORY COMMISSION Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

March 25, 2014

Mr. Thomas Howard
Executive Director
California State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Subject: 2014 California Drought

Dear Mr. Howard:



We received your March 11, 2014 letter asking the Commission to require its licensees to include specific water supply information in requests for temporary variances of their operating requirements to conserve water as a result of the California drought. In your letter, you ask that, in approving a licensee's request, the Commission include conditions for mandatory end-user water conservation, specifying how and when the licensee will return to licensed operating requirements, and monitoring of water quality, fish, and wildlife resources.

You also ask that the Commission require any licensee requesting a temporary variance to estimate the quantity of water that would be stored for future use, the location where the stored water would be used, and the purpose for storing the water.

In reviewing a licensee's temporary variance request, Commission staff requires the licensee to explain the reason and operational circumstances for the request that includes a description of the current status of the project's reservoir and ability to release required minimum flows, and to describe effects that are anticipated should the variance be denied, and the developmental and environmental benefits that would occur should the variance be approved. Developmental benefits may include storing water for future municipal water supply, irrigation, and wastewater assimilation needs. Environmental benefits may include storing water for future support of important aquatic species, wildlife, and recreation. Generally, identifying the amount of water that would be saved and the specific locations where developmental and environmental benefits would accrue is not necessary for Commission staff to make an informed decision regarding the licensee's request.

Regarding inclusion of conditions for mandatory water conservation requirements for end-users, please note that the Commission can only enforce matters that fall within its jurisdiction. For licensed projects, that authority extends only over the licensee. Accordingly, Commission staff cannot include in an order approving a temporary variance provisions intended to bind non-licensees, because such provisions cannot be enforced by the Commission.

In response to your request that the Commission include in its approval of a licensee's temporary variance request a condition specifying when or how the variance would be terminated, I note that, in approving temporary variance requests, Commission staff already includes, as appropriate in each instance, a termination date or a specific description of circumstances under which an approved variance shall end. Such circumstances may include, but are not limited to, the attainment of certain reservoir elevations, reservoir inflow reaching certain thresholds, changes in water year classifications, or changed drought conditions. How and when an approved variance ends is project-specific, and depends on the reasons the specific variance was granted.

Please note that Commission staff often already include requirements for temporary monitoring in approvals of temporary variances to determine the effects of changes in project operations on environmental resources such as fish, water quality, or water quantity. The specific type of monitoring required is, again, project-specific and based on the affected resources and the purpose for which the variance was approved.

We are committed to giving high priority to requests for temporary variances filed as a result of the ongoing drought in California. We encourage licensees, state and federal agencies, and nongovernmental organizations to work together to preserve water for future use, as well as for current public health, safety, and environmental needs. We look forward to working cooperatively with licensees, the California State Water Resources Control Board, and other stakeholders to address project-specific issues resulting from the drought. If you have any questions regarding this matter, please contact me at (202) 502-8773.

Sincerely,

Edward A. Abrams

Edward A. Abrams

Director

Division of Hydropower Administration and Compliance