

City Hall News

From the desk of

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1. **Update on PG&E's WaveConnect Project.** The Council's ad hoc Wave Energy committee (Mayor Doug Hammerstrom, Councilmember Courtney) met with Bill Toman and Ian Caliendo of PG&E in early January to receive an update on the Mendocino WaveConnect project. The following information was provided by PG&E's representatives:
 - a. PG&E reps held separate meetings with County staff, FISH reps, and the City's ad hoc Wave Energy Committee on Friday, January 9, 2009 to provide an update on what is going on with the proposed Mendocino WaveConnect project.
 - b. PG&E obtained their Preliminary Permit from FERC in March 2008. The Permit has a 3-year term and does not permit deployment of wave energy devices in the water. PG&E will conduct 2 years of studies under the Preliminary Permit, during which time they will also be designing the WaveConnect facility. Then, if they have not uncovered any fatal flaws and it all looks promising, PG&E will apply for a Pilot Project License from FERC that would allow for installation and operation of a 5 MW wave energy test facility.
 - c. The Pilot Project License would allow for placement of devices to generate up to 5 MW of electricity for a 5 year period.
 - d. PG&E intends to evaluate approximately 10 types of devices during the Preliminary Permit stage and then will choose the 3 or 4 top technologies to test at the WaveConnect hub under the Pilot Project License. They anticipate a 2-3 year testing period, prior to applying for a long-term license for a 40 MW facility.
 - e. PG&E intends to site the 5 MW testing and demonstration facility within, but near the 3 miles from shore boundary so that they are unambiguously under FERC jurisdiction. IF PG&E decides, on the basis of the knowledge gleaned from the testing and demonstration experience, that it will build a 40 MW wave farm, it will most likely be done well beyond the 3 mile line because the wave energy is more robust further out from shore. PG&E has notified FERC that they would like to reduce the study area as defined in the Preliminary Permit application to eliminate all areas outside of the 3 mile zone. This is being done to avoid MMS jurisdiction. PG&E expects that MMS and FERC will have worked out their jurisdictional dispute by the time PG&E is ready to apply for a long-term license.
 - f. In terms of location, PG&E has told FISH representatives "you're on the siting committee."
 - g. The WaveConnect transmission infrastructure will include a cable buried on the seafloor that extends 3 miles offshore which is where the wave energy devices will be tested. It will hook in to the PG&E power transmission system onshore. It is envisioned that the long-term installation for the 40 MW system would involve an extension of the transmission cable from the WaveConnect hub test location to the permanent site(s).

- h. All of the power generated by the 40 MW WaveConnect facility would be consumed in Mendocino County, and would provide for nearly all of Fort Bragg's electric demand when WaveConnect is generating.
- i. PG&E has a draft contract with CH2M-Hill for consultant services, but will not execute the contract until their funding (through the CPUC's ERRRP and a DOE grant) is secured. Bill agreed to provide a summary of CH2M-Hill's scope of work. CH2M-Hill's first task will be to Prepare a Detailed Work Plan. This will include consultation with agencies and preliminary design activities. CH2M-Hill will be the lead environmental contractor and Science Applications International Corporation (SAIC) will be the design engineer for the WaveConnect "testing hub."
- j. PG&E's request for \$2M in Emerging Renewable Resource Program (ERRP) funds for Year 1 expenses is on the CPUC's January 29th agenda.
- k. PG&E will pay for the City's expenses incurred in reviewing and participating in the FERC process for WaveConnect consistent with the funding that the City requires from developer projects in Fort Bragg. They will also fund the "community process" for providing input to PG&E, their consultants and the various permitting agencies.
- l. PG&E intends to contract with Kerns & West, a professional facilitation/outreach firm in San Francisco with considerable expertise in FERC hydro relicensing projects upon project funding by the California Public Utilities Commission (CPUC).