NEPA PUBLIC SCOPING PROCESS
OROVILLE FACILITIES RELICENSING
FERC PROJECT No. 2100

COMMENTS OF THE KERN COUNTY WATER AGENCY
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October 30, 2001

Retaining or enhancing the current water supply and power generation from the Oroville Facilities is essential for maintaining a reliable and affordable water supply for the 23 million Californians and 750,000 acres of farmland served by the State Water Project (SWP). W-02-01

Background The Kern County Water Agency (Agency) is the largest Agricultural SWP Contractor and the third largest Municipal and Industrial (M&I) SWP Contractor having a total contract annual entitlement from the State of California of 1,046,730 acre-feet. Under the terms of the Agency's water supply contract with the State Of California, the Agency is responsible for repaying, with interest, its allocated share of the costs for developing and delivering SWP water supplies. The Agency's initial bill for 2002 SWP water deliveries totals approximately $73 million. Through the end of 2000, the Agency has repaid more than $1 billion in SWP costs, since 1966. The Agency provides water service to over 600,000 acres of farmland and about one-third of the homes and businesses in the metropolitan Bakersfield area.

The Oroville Facilities The Agency, as one of 27 SWP Contractors, is responsible for its allocated share of all costs related to water supply and power generation from the Oroville facilities. Operational changes that result in reducing the power generation capability and flexibility result in increased water costs to the Agency and ultimately landowners and other rate payers. W-02-02 Of equal or greater concern to the Agency and the other Contractors is the possibility that operational changes will erode the water supply available to the SWP. California is on the verge of a water supply crisis that may well dwarf California's current energy crisis. During the last two years under current regulatory conditions, the Agency's annual water allocation was reduced by 10 and 61 percent respectively. It is inconceivable that any potential operational change would justify further reducing the water supply yield from the Oroville facilities. W-02-03

While the Agency appreciates the need to protect to protect California's environment, we are very concerned about the potential for duplication of efforts between the Oroville relicensing process, the CALFED Bay-Delta Program, and the Cental Valley Project Improvement Act (CVPIA). In particular, the CALFED program is attempting to strike a delicate balance between water supply improvements and the environment. The impacts of CALFED programs will strech well beyond the Bay-Delta, and encompass the Feather River in that program's "solution" area. The Oroville Facilities relicensing process must proceed in full recognition of the overall CALFED program, CVPIA and otherecosystem restoration initiatives. W-02-04 SWP water supplies are already contributing to CALFED's success. The environmental studies undertaken in the relicensing process need to W-02-05

be tightly focused within the project boundary, and any options considered must be complementary to the CALFED program and not result in losses to SWP water supplies. W-02-05 W-02-06

The chaotic power market conditions that California has experienced during the last two years demonstrates how existing hydroelectric projects are absolutely essential to California's and the nation's economy. Maintaining or increasing the flexibility in releases is required to continue the beneficial use of the Oroville facilities for providing regulation, spinning reserves, non-spinning reserves, replacement reserves and voltage control needed for reliable operation of the SWP and the California energy grid. W-02-07

The Agency recognizes that the FERC relicensing process involves the balancing of power and water supply benefits with environmental, recreational, and flood management needs. The Agency urges that this process seek inovative and creative solutions to meet thses needs - - solutions that do not sacrifice precious water and power resources.