

**Ocean Policy Advisory Council
Wave Energy Work Group Meeting
Jan 29, 2007 10:00 a.m. – 1:00 p.m. Port Orford City Hall**

Agenda

- 10:00 Update and discussion of latest developments
- Three new preliminary permits filed - Finavera in Bandon, OPT at Newport, Coos Bay
 - Oregon Solutions Team – progress, settlement agreement, next steps
 - Progress on county permit and related efforts (legislative, OCZMA)
 - State progress
 - DSL Rulemaking
 - Establishment of OWET (wave energy trust)
 - Legislative proposals
 - Science workshop in May
 - December 6 FERC Technical Conference – progress by FERC
- 11:00 Continue discussion of OPAC role and budget
- Events, steps happening during 2006, 2007
 - What does OPAC want to accomplish in 2007
- 12:00 - Order lunch -
- Identify areas of possible policy issues
 - Identify public input opportunities in state, federal, county processes
- 12:45 – Wrap up – next steps

Some of the participants: Terry Thompson, Dalton Hobbs, Onno Husing, Cathy Tortorici, Jack Brown, Jeff Kroft, Robin Hartmann, Jon Allen, Greg McMurray (and others...)

Meeting summary:

The WEWG worked through the above agenda and participants made the following points:

- Finavera has a wave energy partnership project with the Makah Tribe in Washington State that is moving through the FERC licensing process. The project involves four buoys and is proposed to be located within a National Marine Sanctuary. There is a 200-page document that outlines the project, including impacts, in a good level of detail. Finavera has had some preliminary discussions with the fishing industry on its proposed project in Oregon.
- Counties in Oregon are considering different designs and may be facing a different “suite” of impacts.
- The State of Oregon, with Water Resources as the lead (because of the HART process) has filed, pro forma, as an intervener on the OPT and the Finavera preliminary permit applications with FERC. The State does have the ability to

make an argument to FERC to not issue a permit (for example if the site interferes with a State Park) but FERC has the ultimate authority.

- The Oregon Solutions Team has established subcommittees to do some of the necessary detailed work, including a FERC-oriented subcommittee that would be focused on the structure of the settlement talks, because for wave energy, this is new and might be complicated. Steve Kopf said that OPT is committed to working in a consensus fashion, and therefore has chosen to work within a settlement agreement.
- The Declaration of Cooperation that is to result from the initial work of the Oregon Solutions Team on OPT's Reedsport project is considered "morally," not legally, binding.
- There was a report of growing resistance in Reedsport from the fishing industry, in particular from the "little boats" that don't venture very far from the harbor to fish.
- Terry described Lincoln County's vision for wave energy under their current permit application, which covers the length of the county out to the three mile. The county would work with OSU and the fishermen and the power company for placement of wave energy sites in different locations, based on agreement found, working together, where there would be the least impacts on existing ocean uses including fishing and transit. This would provide "coastal zoning" in cooperation with local governments.
- It was suggested that counties are looking to use their "municipal" preference (over commercial) when applying for a FERC preliminary permit.
- Terry brought up a concern that stems from an aquaculture site near Newport where a company has abandoned its oyster racks. Now, there is no funding, and complicated agency jurisdictions that have hampered removal of these hazards. Terry indicated that the same could happen with the wave energy plants if a company was to fold. His concern was with a federal agency providing a subsidy and then the company not being able to follow through and abandoning the equipment. His thoughts were that the state should be able to require a wave energy company to remove all buoys and anchoring system if it leaves the project. It was reported that buoys on the Washington coast have been left. Jeff Kroft indicated that this issue is addressed to some degree in the state's rule on fiber optics cables. It was reported that FERC deals with this all the time, in terms of decommissioning major dams in the U.S.
- Dollars generated from leasing of the seafloor by DSL go into the common school fund.
- Efforts have begun to form the Oregon Wave Energy Trust (OWET) which is a product of the Oregon Innovation Council. The OWET will be a non-profit corporation that will work to promote wave energy through incentives and marketing.
- Terry described a legislative proposal that would allow extending the use of economic development funds for projects out to the three-mile. He also

indicated a bill is being drafted to address the issue of abandoning wave energy equipment and to provide the state with a way to require its removal.

- Jeff Kroft described a source of information that he has found helpful – it is from the UK, Crown Estate where they are in the process of issuing leases for a wave energy test park to be set up off the coast of northern England.
- Amy Windrope provided an update on the science workshop that is being planned. It would be a one-day workshop that would occur in the first half of May. An issue paper would result from the presentations. The workshop would help identify what we know, what we don't know and identify gaps. The white paper would be helpful to inform the OPAC, state and federal agencies and the companies. Science and policy would be kept separate. Work is underway on preparation of a workshop prospectus to send to folks. The workshop would focus on biological, chemical and physical components of the ocean that could be impacted by a wave energy project.

The WEWG then developed a list of wave energy policy issues which Hartmann reorganized, grouping by topic, which are indicated by different colors below:

POLICY ISSUES:

WEWG list of concerns that may need new state policies to address:

- **How many are too many?**
- **Where will they be located? Where should they be located?**
- **Ocean zoning? Should the state take a broad look at many uses of the ocean and what areas are important for key uses, ecological areas?**
- **Which renewable resource will have priority (in terms of Goal 19) Power or food? (economics)**
- **Who is considering the trade offs between land-based energy alternatives (driven by \$\$ and/or policy). (ownership – example M37) (source of \$\$)**
- **What are the impacts of the wave energy project on land/the shoreline?**
- **Concerns about limits of local, state control vs. federal (FERC).**
- **How will revenues be allocated – to counties, state?**
- **What would be the state's policies to address impacts/benefits to local communities (socio-economic, including secondary, tertiary)?**

- **What about compensation to fishing community? Set policy in advance. If fishing impacted, would the state offer a “Jobs in the woods” program?**
- **What will be the protocol for interaction between the local communities and the wave energy park (and the buoys)?**
- **What about the state’s ability to study environmental impacts – do we have the toolbox – to estimate impacts, then study and monitor.**
- **Should the state keep in mind the “precautionary principle” as it invites this new industry to the state’s nearshore ocean?**
- **How will the state develop policy to address the different designs, companies and impacts?**
- **When will there be enough science (STAC)?**
- **What about bonding for removal at end of project life, or sooner if it would fail, and who would be responsibility for removal?**
- **What will be the state’s policy for setting buffer zones around the projects?**
- **What should be the state’s policy/system for recovery of lost gear, or compensation for gear that cannot be recovered?**
- **What is the policy for reporting and removal of buoys at large (on the loose)?**
- **What will be the state’s policy on navigation (lighting and numbering system)?**
- **What is the role of OPAC?**
- **Should wave energy projects be addressed specifically in the TSP?**

The following are suggestions that were discussed as options for “next steps” for the WEWG and the OPAC:

- Prioritize these policy issues.
- Determine which of these policy issues will be addressed through the licensing and/or settlement agreement process.
- Have the OPAC recommend that DLCD conduct a legal analysis of the adequacy of TSP and state authorities to be the source of enforceable

policies for the state in terms of consistency with the Coastal Zone Management Act.

- Have the WSWG develop several options/models for how OPAC would move forward on its consideration of wave energy and what OPAC's focus would be, for example:
 1. Establish a Joint Review Panel (STAC subcommittee on wave energy)
 - Define what a Joint Review Panel does and does not do
 - Coordination role for agencies
 - Provide assistance to the OPAC for its review/input on documents, studies, EIS, etc.
 2. Have the WSWG discuss issues, then send policy options/info needs to full OPAC.
 - OPAC would then recommend that the agencies study a key issue or
 - OPAC could make recommendations to agencies, local governments, and the Governor
 3. Develop a committee report – Agencies/OPAC/WSWG?