



United States Department of the Interior



BUREAU OF RECLAMATION
1150 North Curtis Road
Boise, ID 83706-1234

IN REPLY REFER TO:

CPN-6426
2.2.4.23

VIA ELECTRONIC MAIL ONLY

Mr. Darvin Fales
Columbia Basin Hydropower
P.O. Box 219
Ephrata, WA 98823
dfales@cbhydropower.org

Subject: Banks Lake Lease of Power Privilege (LOPP) Project Terms of Abeyance

Dear Mr. Fales:

The Bureau of Reclamation notified the Columbia Basin Hydropower (CBHP) on November 11, 2021, that it had been selected as a preliminary power privilege lessee to study the Banks Lake pumped-storage hydropower development project. Reclamation informed CBHP through conversations and in the same selection letter that Columbia River operations could change after 2024 as a result of updates to treaty flood risk management provisions. Based on this uncertainty, Reclamation offered to consider holding the Banks Lake project in abeyance pending more certain operations information. Reclamation provided CBHP to the end of June 2022 to determine whether abeyance would be requested or not. Since no determination has been made during this timeframe, Reclamation is placing the project in abeyance.

The following terms of abeyance are provided for the Banks Lake project:

1. During abeyance, the project will be exempt from timeframes set forth in Reclamation Manual Directives and Standards, *Lease of Power Privilege (LOPP) Processes, Responsibilities, Timelines, and Charges* (FAC 04-08).
2. Abeyance takes effect on the date of this letter and shall extend to September 30, 2024, unless terminated earlier. An extension of abeyance may be requested by CBHP or may be enacted of its own accord by Reclamation. CBHP may request termination of abeyance upon 60 days written notification to Reclamation.
3. Both parties shall enter into a Contributed Funds Act (CFA) agreement in accordance with paragraph 11 of FAC 04-08 regarding Administrative Charges. The project will face withdrawal of preliminary lease selection if a CFA agreement is not enacted by March 31, 2023. Development, execution, and funding of CFA Task Orders will occur as needed and agreed to by both parties.

4. Abeyance does not preclude CBHP from moving forward on aspects of the project if it so elects so long as the proposed work does not require involvement from Reclamation as would be prescribed under a preliminary lease contract. In the absence of a preliminary lease contract, CBHP shall seek and obtain a determination from Reclamation whether any proposed work would require Reclamation involvement.

Reclamation requests CBHP to acknowledge these abeyance terms within 30 days of the date of this letter.

If you have questions, please contact Mr. Benjamin Miller, Project Manager, at (208) 378-5196 or bjmiller@usbr.gov, or Ms. Florence Webster, Regional LOPP Lead, at (208) 378-5332 or fwebster@usbr.gov.

Sincerely,

JENNIFER
CARRINGTON

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Date: 2022.07.12 12:53:18
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Jennifer J. Carrington
Regional Director