

90 FERC 162, 098

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

City of Granite Falls, Minnesota) Project No. 8423-000

ORDER GRANTING EXEMPTION FROM LICENSING OF A
SMALL HYDROELECTRIC PROJECT OF 5 MEGAWATTS OR LESS

(Issued January 28, 1985)

The Applicant 1/ filed an application for exemption from all or part of Part I of the Federal Power Act (Act) pursuant to 18 C.F.R. Part 4 Subpart K (1980) implementing in part Section 408 of the Energy Security Act (ESA) of 1980 for a project as described in the attached public notice. 2/ 3/

Notice of the application was published in accordance with Section 408 of the ESA and the Commission's regulations and comments were requested from interested Federal and State agencies including the U.S. Fish and Wildlife Service and the State Fish and Wildlife Agency. All comments, protests and motions to intervene that were filed have been considered. No agency has any objection relevant to issuance of this exemption.

Standard Article 2, included in this exemption, requires compliance with any terms and conditions that Federal or State fish and wildlife agencies have determined appropriate to prevent loss of, or damage to, fish and wildlife resources. The terms and

1/ City of Granite Falls, Minnesota, Project No. 8423, filed July 11, 1984.

2/ Pub. Law 96-294, 94 Stat. 611. Section 408 of the ESA amends *inter alia*, Sections 405 and 408 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. §§2705 and 2708).

3/ Authority to act on this matter is delegated to the Director, Office of Hydropower Licensing, under §375.314 of the Commission's regulations, 49 Fed. Reg. 29,369 (1984) (Errata issued July 27, 1984), (to be codified at 18 C.F.R. §375.314). This order may be appealed to the Commission by any party within 30 days of its issuance pursuant to Rule 1902, 18 C.F.R. 385.1902, (1983). Filing an appeal and final Commission action on that appeal are prerequisites for filing an application for rehearing as provided in Section 313(a) of the Act. Filing an appeal does not operate as a stay of the effective date of this order or of any other date specified in this order, except as specifically directed by the Commission.

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conditions referred to in Article 2 are contained in any letters of comment by these agencies which have been forwarded to the Applicant in conjunction with this exemption. 4/

Should the Applicant contest any terms or conditions that were proposed by Federal or State agencies in their letters of comment as being outside the scope of Article 2, the Commission shall determine whether the disputed terms or conditions are outside the scope of Article 2.

Based on the terms and conditions required by Federal and State fish and wildlife agencies, the environmental information in the application for exemption, other public comments, and staff's independent analysis, issuance of this order is not a major Federal action significantly affecting the quality of the human environment.

It is ordered that:

(A) Granite Falls Hydro Project No. 8423 as described and designated in City of Granite Falls, Minnesota application file on July 11, 1984, is exempted from all of the requirements of Part I of the Federal Power Act, including licensing, subject to the standard articles in §4.106, of the Commission's regulations attached hereto as Form E-2, 18 C.F.R. §4.106 45 Fed. Reg. 76115 (November 18, 1980), and the following Special Article(s).

Article 6. Any exempted small hydroelectric power project that utilizes a dam which is more than 33 feet in height above streambed, as defined in 18 CFR 12.31(c) of this chapter, impounds more than 2,000 acre-feet of water, or has a significant high hazard potential, as defined in 33 CFR Part 222, is subject to the following provisions of 18 CFR Part 12;

- 4/ An exemption from licensing granted by this Commission does not serve as any basis for restricting hunting and fishing access to the waterway involved except to the extent required for public safety purposes.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Notice of Application Filed with the Commission
(November 15, 1984)

Take notice that the following hydroelectric application has been filed with the Federal Energy Regulatory Commission and is available for public inspection:

- a. Type of Application: 5 MW Exemption
- b. Project No: 8423-000
- c. Date Filed: July 11, 1984
- d. Applicant: City of Granite Falls, Minnesota
- e. Name of Project: Granite Falls Hydro
- f. Location: On the Minnesota River in Yellow Medicine and Chippewa Counties, Minnesota.
- g. Filed Pursuant to: Section 408 of the Energy Security Act of 1980 (16 U.S.C. §§2705 and 2708, as amended).
- h. Contact Person: Mr. Richard Voller, City Manager, 885 Prentice, Granite Falls, Minnesota 56241.
- i. Comment Date: December 31, 1984
- j. Description of Project: The proposed project would consist of: (1) an existing concrete overflow spillway about 250 feet long and 18 feet in height; (2) the removal of the contiguous existing 74-foot-long flood gate structure, which will be replaced by three concrete Tainter gate bays with a gate height of 14 feet; (3) an existing powerhouse structure integral with the dam, 28 feet by 40 feet, housing two existing turbine-generator units with a total installed capacity of 470 kW; (4) the addition of a new powerhouse, adjacent to the existing powerhouse which will house a third turbine-generator unit with an installed capacity of 710 kW; (5) a reservoir 3.5 miles in length and water surface area of approximately 60 acres at normal maximum water surface elevation of 900.74 feet, m.s.l.; (6) a proposed 4.16-kV transmission line approximately 100 feet long; and (7) appurtenant facilities. The applicant estimates that the storage annual energy for all three units would be 4,360,000 kWh.
- k. Purpose of Project: The applicant anticipates that project energy will be utilized within its municipal utility system.
- l. This notice also consists of the following standard paragraphs: A1, A9, B, C and D3e.

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- (i) Section 12.4(b)(1)(i) and (ii), (2)(i), (iii)(A) and (B), (iv), and (v);
- (ii) Section 12.4(c);
- (iii) Section 12.5;
- (iv) Subpart C; and **EAP**
- (v) Subpart D. **Imp by Cons.**

For the purposes of applying these provisions of 18 CFR Part 12, the exempted project is deemed to be a licensed project development and the owner of the exempted project is deemed to be a licensee.



Quentin A. Edson
Director, Office of
Hydropower Licensing

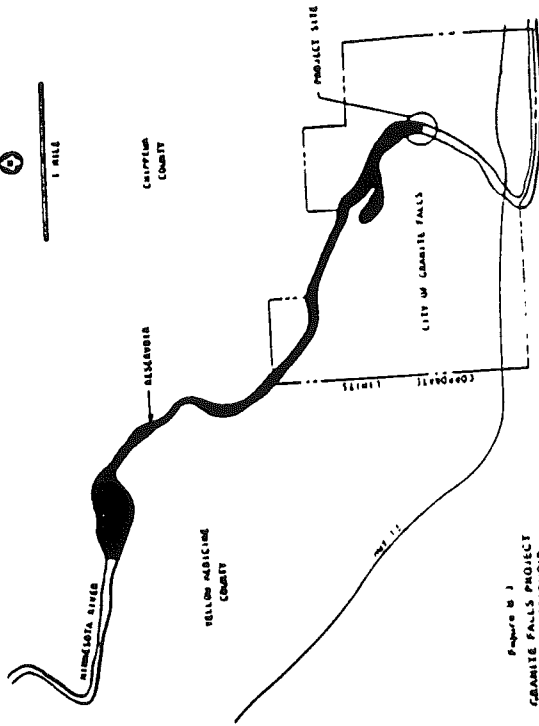


Figure B-1
GRANITE FALLS PROJECT
PLANS OF RESERVOIR
P-8423-000

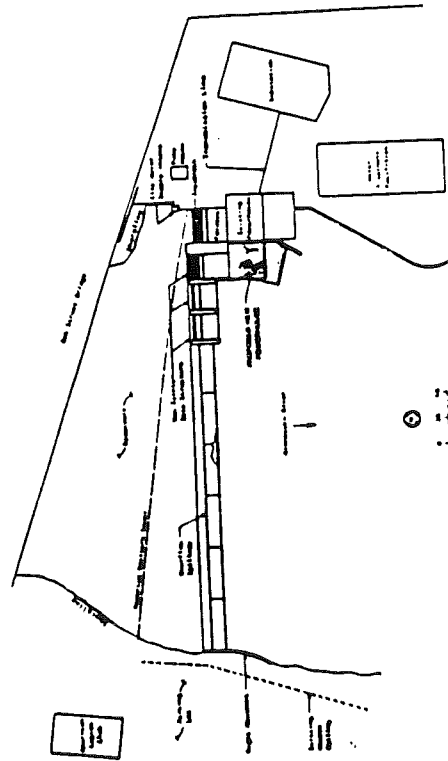


Figure C-18
Granite Falls Hydro Project
SITE PLAN
P-8423-000

03a. **Agency Comments** - The U.S. Fish and Wildlife Service, the National Marine Fisheries Service, and the State Fish and Game agency(ies) are requested, for the purposes set forth in Section 406 of the Energy Security Act of 1980, to file within 60 days from the date of issuance of this notice appropriate terms and conditions to protect any fish and wildlife resources or to otherwise carry out the provisions of the Fish and Wildlife Coordination Act. General comments concerning the project and its resources are requested; however, specific terms and conditions to be included as a condition of exemption must be clearly identified in the agency letter. If an agency does not file terms and conditions within this time period, that agency will be presumed to have none. Other federal, State, and local agencies are requested to provide any comments they may have in accordance with their duties and responsibilities. No other formal requests for comments will be made. Comments should be confined to substantive issues relevant to the granting of an exemption. If an agency does not file comments within 60 days from the date of issuance of this notice, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

Kenneth P. Plumb
Secretary

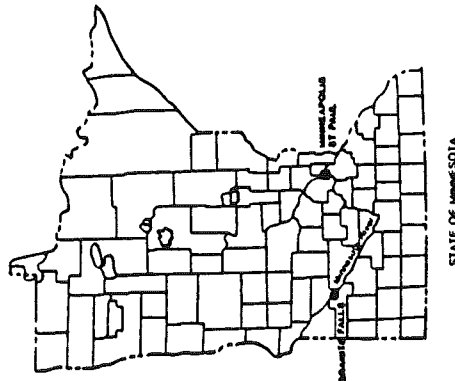
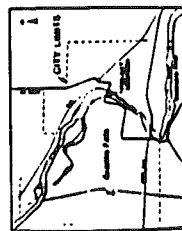


Figure B-1
LOCATION MAP
P-8423-000



CITY OF GRANITE FALLS

§ 4.106 Standard terms and conditions of exemption from licensing.
 Any exemption from licensing granted under this subpart for a small hydroelectric power project is subject to the following standard terms and conditions:

(a) Article 1. The Commission reserves the right to conduct investigations under sections 4(g), 306, 307, and 311 of the Federal Power Act with respect to any acts, complaints, facts, conditions, practices, or other matters related to the construction, operation, or maintenance of the exempt project. If any term or condition of the exemption is violated, the Commission may revoke the exemption, issue a suitable order under section 4(g) of the Federal Power Act, or take appropriate action for enforcement, forfeiture, or penalties under Part III of the Federal Power Act.

(b) Article 2. The construction, operation, and maintenance of the exempt project must comply with any terms and conditions that any Federal or state fish and wildlife agencies have determined are appropriate to prevent loss of, or damage to, fish or wildlife resources or otherwise to carry out the purposes of the Fish and Wildlife Coordination Act, as specified in Exhibit E of the application for exemption from licensing or in the comments submitted in response to the notice of the exemption application.

(c) Article 3. The Commission may accept a license application by any qualified license applicant and revoke this exemption if actual construction or development of any proposed generating facilities has not begun within 18 months, or been completed within four years, from the date on which this exemption was granted. If an exemption is revoked, the Commission will not accept a subsequent application for exemption within two years of the revocation.

(d) Article 4. This exemption is subject to the navigation servitude of the United States if the project is located on navigable waters of the United States.

(e) Article 5. This exemption does not confer any right to use or occupy any Federal lands that may be necessary for the development or operation of the project. Any right to use or occupy any Federal lands for those purposes must be obtained from the administering Federal land agencies. The Commission may accept a license application by any qualified license applicant and revoke this exemption, if any necessary right to use or occupy Federal lands for those purposes has not been obtained within one year from the date on which this exemption was granted.

8423

Chicago REGIONAL OFFICE



STATE OF MINNESOTA DEPARTMENT OF NATURAL RESOURCES

BOX CENTENNIAL OFFICE BUILDING • ST. PAUL, MINNESOTA • 55155

DNR INFORMATION (612) 296-6157

FEDERAL ENERGY REGULATORY COMMISSION

FILE NO _____

Exemption Article 2 requirements. also see Ltr of May 9, 1984 from Dept of the Interior Fish & Wildlife Service

December 28, 1984

Mr. Kenneth F. Plumb, Secretary Federal Energy Regulatory Commission 825 N. Capitol Street, N.E. Washington, D.C. 20426



COMMENTS, Project No. 8423-000, Granite Falls Hydropower

Dear Mr. Plumb:

The Minnesota Department of Natural Resources (MDNR) has reviewed the exemption application for the above-referenced project and offers the following comments for your consideration. As the state's official fish and game agency, the MDNR requests certain terms and conditions to be included in the exemption, pursuant to Section 408 of the Energy Security Act of 1980, as described later in this letter.

The Minnesota River, in the vicinity of the Granite Falls Dams, supports a quality sport fishery. Bank fishing is popular in the vicinity of the dam. Game fish present in the Minnesota River in the vicinity include walleye, northern pike, channel catfish, flathead catfish, crappie, and smallmouth bass. A variety of game and non-game wildlife use the habitat along the river corridor. This section of the Minnesota River also provides opportunity for other recreational uses such as canoeing, hiking, swimming, and general outdoor enjoyment. This reach of the Minnesota River is a state designated Wild and Scenic River and a Canoe and Boating Route.

A repair and modification project for the existing Granite Falls Dam is presently being performed to correct structural deterioration and deficiencies for dam safety and to correct operational problems with the facility. The repair and modification project includes work on the overflow spillway, construction of three new gate structures (one of which is designated for the proposed hydropower expansion), and some work on the existing powerhouse.

The existing powerhouse contains two Francis turbines with a combined generating capacity of 465 KW and a combined discharge capacity of 390 cfs. The proposed additional hydropower development consists of construction of a new powerhouse adjacent to the existing powerhouse. The new powerhouse will house a third turbine-generator unit with an installed generating capacity of 470 KW and

discharge capacity of 560 cfs. The proposed turbine is a fixed blade, vertical axis, propeller type.

The Granite Falls Hydro Project has been operated with daily peaking operation for over fifty years. Headwater drawdown of two feet has been common throughout the operating history of the facility. There is also a history of allowing no flow through the dam for extended periods. The applicant proposes that the completed facility with the third turbine will be operated in a daily peaking mode similar to operation of the existing facility. However, peaking operation with the third turbine will result in larger fluctuations in both the tailwater and in the discharge below the Minnesota Falls Dam downstream. To protect fish and wildlife resources, an operational plan (which may include modifications in existing operation of the Minnesota Falls Dam) should be developed to minimize fluctuations in both water stage and discharge below the Minnesota Falls Dam which result from peaking operation of the Granite Falls Hydro Project. In addition, when protected flows are established for this reach of the Minnesota River, operation of the Granite Falls Hydro Project will be subject to the protected flows. The protected flow will be set after DNR completes an instream flow study for the Minnesota River sometime in the future.

It should be noted that Minnesota has a Shoreland Management Program which protects fish and wildlife and other river resources by limiting inappropriate development. Rules are adopted for each river which control erosion, vegetative cutting, setbacks, etc., which in turn reduces degradation of water quality and protects fishery habitat. The Rules covering the Minnesota River are found in Minn. Rules 1983, Chapter 6105. We are prescribing a condition which requires the City of Granite Falls to adopt an ordinance pursuant to these Rules.

Exemptions under FERC Order 106 (case-by-case exemptions) are only intended for environmentally benign projects. The primary responsibility of state and federal fish and wildlife resource agencies reviewing FERC Order 106 exemption applications is to formulate specific terms and conditions to protect fish and wildlife resources.

~~one of the purposes of the Minnesota Department of Natural Resources is to protect and enhance the state's natural resources. Since the Granite Falls Hydro Project is a hydroelectric project, it is not a project that the Minnesota Department of Natural Resources would normally review. However, the Minnesota Department of Natural Resources has determined that the Granite Falls Hydro Project will not have any significant immediate or long-term effects on the state's natural resources within the project area.~~

~~To ensure that the Minnesota Department of Natural Resources is satisfied with the conditions to be included in the exemption application, the applicant is required to provide the Minnesota Department of Natural Resources with a copy of the exemption application and a copy of the conditions to be included in the exemption application. The Minnesota Department of Natural Resources will review the exemption application and the conditions to be included in the exemption application and will determine whether the exemption application meets the requirements of FERC Order 106 and whether the conditions to be included in the exemption application are appropriate for the Granite Falls Hydro Project.~~

1. The operation of the hydropower facility shall be subject to any protected flows established by the Minnesota Department of Natural Resources for this reach of the Minnesota River, including the Granite Falls and Minnesota Falls reservoirs, to allow adequate provision for and protection of instream uses such as water-based recreation, fish and wildlife habitat, water quality and needs by downstream higher priority users.

2. A hydropower operating procedure for the entire facility shall be submitted to the Minnesota Department of Natural Resources and the U.S. Fish and Wildlife Service for approval 30 days in advance of the initiation of operation of the third turbine.
3. The exemptee shall consult with Northern States Power Company (NSP), the owner of the Minnesota Falls Dam, to determine if operation of the dam can be modified to minimize flow fluctuations in the Minnesota River downstream from the Minnesota Falls Dam which result from peaking operation of the Granite Falls Hydro Project. After consultation with NSP and prior to submitting the hydropower operating procedure required in Item 2 above, the exemptee shall meet with the Minnesota Department of Natural Resources and U.S. Fish and Wildlife Service to discuss the feasibility of modifying operation of the dam. If modifications in operation of the Minnesota Falls Dam are feasible and acceptable to NSP, the operating procedure required in Item 2 above shall address the modifications and the effect the modifications will have on the outflow from the Minnesota Falls reservoir. X
4. The exemptee shall continuously monitor reservoir inflow and outflow, reservoir elevation, tailwater elevation below Granite Falls and Minnesota Falls Dams and flow through turbines and gates. Records of this monitoring shall be submitted every six months to the Minnesota Department of Natural Resources and U.S. Fish and Wildlife Service. The permittee shall install any gages necessary to record the above information. The installation of any gage shall be coordinated with the U.S. Geological Survey. X
5. The exemptee shall maintain adequate streamflow during construction to minimize impacts to fish and other resident aquatic organisms. (1)
6. The exemptee shall minimize construction impacts on fish and wildlife resources. If dredging is required, suitable upland disposal sites must be utilized for disposal, especially if the dredged material is contaminated. Turbidity and impacts to benthic organisms should be minimized. Existing transmission lines and crossings should be utilized to the extent possible for electric transmission. (2)
7. The exemptee shall, in developing final plans, determine the feasibility of making the approach area to the generating facility devoid of lights, large rocks, brush and/or structural projections which would attract fish into the intake area. Small trash racks or large screens should be placed in front of the intake area to prevent passage of larger fish. Screening devices should be considered to minimize entrainment losses. The recommended approach velocity for intakes at major power plants is 0.5 feet per second or less to allow fish to escape. The approach velocities at this site should be as low possible. (3)
8. The exemptee shall aim for maximum operating efficiency of the turbines to ensure the highest survival rate of fish that may enter the turbines. (4)
9. The exemptee shall take appropriate action to stabilize the tailrace channel to prevent erosion during power generation. (5)

Mr. Kenneth F. Plumb

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10. The exemptee shall not restrict existing public access to the river, except for safety purposes. (6)
11. To minimize turbine mortality of fish, the exemptee shall operate the new propeller turbine in preference to the two existing Francis turbines when flows are such that all turbines cannot be operated simultaneously. (7)
12. X The exemptee shall assure that state water quality standards are met or exceeded for water discharged below the Granite Falls Dam from the hydropower project. (8)
13. The exemptee shall incorporate the aforementioned conditions in any subsequent sale, lease, conveyance or other use of his interests so as to legally assure compliance with said conditions for as long as the hydroelectric project generates power. (10)
14. The exemptee shall completely remove from the river channel and adjacent flood plain all debris and scrap materials resulting from construction.
15. The exemptee shall insure that the contractor has received and thoroughly understands all terms and conditions of the exemption.
16. The exemptee shall adopt a State Shoreland Management Ordinance in compliance with the Minnesota River Rule (Minn. Rules 1983, Chapter 6105). This ordinance shall be submitted to MDNR for approval prior to commencing the new hydropower unit operation.

Thank you for the opportunity to comment on this proposal. If you have any questions regarding these comments, please contact Ken Wald of our Office of Planning (612-296-4790).

Sincerely,



Steven G. Thorne
Deputy Commissioner

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c: Larry Seymour
Jim Cooper
Larry Shannon
Dick Hassinger
Jack Skrypek
Roger Holmes
Lou Flynn, MPCA
Bill Maher
Gary Wege, U.S. F&WS
Richard Voller, City of Granite Falls