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April 25, 2008

Kimberly D. Bose, Secretary  
FEDERAL ENERGY REGULATORY COMMISSION  
888 1<sup>st</sup> Street, N.E., Room 1-A  
Washington, D. C. 20426-0001

**Re: Humboldt WaveConnect Project, FERC Project No. 12779  
Schedule of Activities Under Preliminary Permit**

Dear Secretary Bose:

On March 13, 2008, the Federal Energy Regulatory Commission ("FERC" or "Commission") issued to Pacific Gas and Electric Company ("PG&E") a Preliminary Permit ("Permit") for the 40-megawatt Humboldt WaveConnect Project (FERC Project No. 12779) ("Project"), a wave-driven hydrokinetic facility to be located off the coast of Humboldt County, California. Pursuant to Ordering Paragraph C of the Permit, PG&E hereby submits, within forty-five days of Permit issuance, its proposed "Schedule of Activities" that will allow PG&E to file either:

1. By one year from the March 13, 2008 issuance date of the Permit (*i.e.*, by March 12, 2009), a Notice of Intent to file a "traditional"<sup>1</sup> license application ("NOI")<sup>2</sup> and a Pre-Application Document ("PAD"),<sup>3</sup> along with any request to use the Traditional or Alternative Licensing Process;<sup>4</sup> or

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<sup>1</sup> In this context, PG&E defines a "traditional" license as a long-term license authorizing a full-scale, commercial project.

<sup>2</sup> 18 C.F.R. § 5.5 (2007).

<sup>3</sup> 18 C.F.R. § 5.6. The PAD will include the time frame for consulting with federal, state, and local agencies, tribes, non-governmental organizations, and any other interested entities; and a preliminary list of issues identified and necessary studies related to these issues.

<sup>4</sup> The Commission's default licensing regulations are the Integrated Licensing Process ("ILP") (18 C.F.R. §§ 5.1 – 5.31). Pursuant to 18 C.F.R. § 5.3, a potential applicant may request leave to instead use the Traditional Licensing Process ("TLP") (18 C.F.R. Parts 4 or 16) or the Alternative Licensing Process ("ALP") (18 C.F.R. § 4.34(i)).



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2. By two years from March 13, 2008 (*i.e.*, by March 12, 2010), an NOI and a Draft Application for a Pilot Project License.

PG&E will be in a position to select between these two courses of action after it has developed additional information and undertaken further consultations during the first year of the Permit term.

When filed its Preliminary Permit Application, it advised various federal, state, county and local resource agencies, regulatory bodies, and other local governing bodies of its proposed Project. During the Permit term, PG&E will undertake more specific consultations with these agencies and entities, as well as with other entities and individuals indicating an interest in the proceeding along with representatives of Indian tribes identified by PG&E or the Commission.<sup>5</sup>

After Permit issuance, PG&E reached out to the local community and, on April 17, 2008, participated in a public meeting in the City of Eureka's Wharfinger Building to present draft proposed Project study plans for comments and questions from the Humboldt community.

PG&E has contacted and scheduled meetings or is actively attempting to contact and to schedule meetings with the California Energy Commission, California State Lands Commission, California Public Utilities Commission, California Coastal Commission, California Coastal Conservancy, California Department of Fish & Game, National Oceanic Atmospheric Administration, U. S. Fish & Wildlife Service, U. S. Department of the Interior's Minerals Management Service, and other interested parties. PG&E will continue conducting meetings over the next weeks.

Additionally, both prior to and since Permit issuance, PG&E has had informal meetings with various parties, including:

- Eureka Chamber of Commerce's Board of Directors;
- District Staff for California State Assemblywoman Patty Berg;
- District Staff for California State Senator Pat Wiggins;
- Humboldt Baykeeper in Eureka;
- Humboldt Fisherman's Marketing Association;
- Commissioners and CEO of the Humboldt Bay Harbor, Recreation, and Conservation District in Eureka;

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<sup>5</sup> When PG&E notifies FERC three to six months before it may file an NOI/PAD for a traditional license application, FERC staff will contact the appropriate tribes to determine their interest in the potential project.



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- City of Arcata Energy Committee;
- Redwood Coast Energy Authority's Board of Directors; and
- Friends of the Dunes in Eureka.

In order to select the most appropriate potential sites for its WaveConnect Project (under either a traditional or a pilot-project license), PG&E will conduct research, as appropriate, with respect to site characteristics, including geophysical data, bathymetry analysis, sediment transport, evaluations of marine life and potential impacts thereto of alternative device deployments, terrestrial and marine biological evaluation, aesthetics, navigation, fishing, and marine safety issues. Information about these studies will be regularly updated.

Finally, PG&E will work with the California Independent System Operator ("CAISO") as necessary to conduct required utility and CAISO interconnection and system impact studies.

## SUMMARY OF SCHEDULE OF ACTIVITIES

### *Date and Activities*

#### 2008/Q2 to 2009/Q2

- Research, collect, and analyze existing available site background information.
- Obtain necessary authorizations and start field studies.
- Start development of Pre-Application Document ("PAD") or decide to prepare a pilot license application.

#### 2008/Q3

- Submit first six-month progress report to FERC (due August 31, 2008).
- Reports will include, as appropriate:
  - Reports on public outreach and agency consultation
  - Development of study plans, as well as any available study findings; and
  - Progress Reports on the NOI and PAD Application process, including any related access and land-ownership issues.



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### 2008/Q4 to 2010/Q3

- Screen and prioritize candidate sites for development activity.
- Conduct studies for FERC and other relevant federal, state, local agencies.
- Studies will include, as appropriate,
  - Geo-physical Field Survey & Site Assessment;
  - General Fish and Marine Animal Survey;
  - Marine Navigation Evaluation;
  - Present Marine Safety Assessment and Plan;
  - Summary of Overall Impact of System Deployment; and
  - Interconnection Plan and Specifications.
- Contact FERC staff three to six months before potentially filing an NOI/PAD (per standard FERC staff letter to permittees regarding License Application Preparation).
- Meetings and communication with additional resource agencies and permitting authorities will be accomplished. We have contacted a preliminary list of appropriate agencies and gathered contact information to be periodically updated in six-month reports.

### 2009/Q1

- Identify licensing path (long-term traditional license or short-term pilot-project license).
- Submit second six-month progress report to FERC (due February 28, 2009).
- Potentially file NOI and PAD for traditional license proceeding, along with any request to use the Traditional or Alternative Licensing Process (due March 12, 2009).

### 2009/Q3

- Submit third six-month progress report to FERC (due August 31, 2009).

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2010/Q1

- Submit fourth six-month progress report to FERC (due February 28, 2010).
- Potentially file NOI and Draft Application for Pilot Project License (due March 12, 2010).

2010/Q3

- Submit fifth six-month progress report to FERC (due August 31, 2010).

2010/Q3 to 2011/Q1

- Prepare and possibly file (pursuant to earlier-selected licensing path) application for long-term traditional original license or application for short-term pilot-project license. In order to have permittee preference at the licensing stage, any license application must be filed no later than February 28, 2011.
- Submit applications for any other regulatory approvals.

If you have any questions in regard to the nature and timing of the above-listed activities or any other aspect of our Schedule of Activities, please call Bill Toman, Senior Program Manager, at (415) 973-9095 in San Francisco or send him an e-mail at [wxte@pge.com](mailto:wxte@pge.com)

Very truly yours,

Annette Faraglia

AF:bd

cc: FERC Project No. 12779 (Humboldt WaveConnect Project) Service List; and  
FERC Project No. 12781 (Mendocino WaveConnect Project) Service List