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5.0 OTHER ALTERNATIVES

5.1 ALTERNATIVES CONSIDERED BUT ELIMINATED FROM DETAILED STUDY

As part of the analysis of alternatives, several licensing alternatives were considered but eliminated from detailed study in Placer County Water Agency's (PCWA) Draft Application for New License. These alternatives include:

- Federal Government Takeover;
- Issuing a Non-power License; and
- Retirement of the Project.

A summary of the review of each of these alternatives for the Middle Fork American River Project (MFP or Project) is provided in the following subsections.

5.1.1 Federal Government Takeover

Federal takeover of the MFP is not considered a reasonable alternative. Section 14 of the Federal Power Act (FPA), 16 U.S.C. § 807 (2000), provides that the United States shall have the right upon or after expiration of any license to take over a project, upon payment of the licensee's net investment therein. However, hydropower projects licensed to municipalities are not subject to such federal takeover (see the Act of August 15, 1953, 67 Stat. 587, as amended on July 31, 1959, 73 Stat. 271, 16 U.S.C. § 828b [2000]). PCWA is a municipality organized under the laws of the State of California; therefore, Federal government takeover of the Project is not applicable to the MFP.

5.1.2 Issuing a Non-power License

Issuance of a non-power license for the MFP is not considered a reasonable alternative. A non-power license is a temporary license that the Federal Energy Regulatory Commission (FERC or Commission) would terminate if it determines that another government agency is authorized and willing to assume authority and supervision over the lands and facilities covered by the non-power license.

There is no evidence that a government agency has suggested a desire or ability to take over the MFP. No other party has sought a non-power license. Further, the MFP facilities are fully capable of continuing to generate power under the ownership, management, and oversight of PCWA. Therefore, this alternative is deemed unreasonable, and eliminated from further detailed study.

5.1.3 Retirement of the Project

Retirement of the MFP is not considered a reasonable alternative. Project retirement requires the Commission deny PCWA's Application for New License and requires

surrender and termination of the existing license along with implementation of any associated conditions. The Project would no longer be authorized to generate power.

Retirement of the Project will result in substantial loss of generation; substantial costs associated with removal of Project facilities; and lost revenue for the local communities associated with ongoing operations and maintenance of the Project and decreases in recreational users currently using Project reservoirs. If Project dams were left in place to maintain recreation opportunities, the Project dams and reservoirs will have to be operated and maintained by some unknown entity. No government agency, tribal interest, non-governmental organization, or individual has recommended retirement of the Project. Therefore, retirement of the Project is not a practical or reasonable alternative and is eliminated from further detailed study.