



REEDSPORT WAVE ENERGY PROJECT CRABBING/FISHING ISSUES

March 8, 2007

Port of Umpqua Reedsport, OR

In Attendance:

Mary Lindman
Jeanette McDonald
Tom McDonald
Charlie Mayfield
Gary Haeyes
Cristen Don
David Blood
Scott Hartzell
Stuart Schuttpelz
Coos Umpqua Crab Assn
Keith Tymchuk
Therese Hampton

Rick Lilienthal
Paul Stannard
Joseph Rock
Al Gann
tom Nowles
Mike Lane
Al Pazar
Barry Nelson
Kaety Hildenbrand
Onno Husing
Steve Kopf

The purpose of the meeting was to confirm crabbing/fishing related impacts, develop concepts for addressing lost gear and understanding productivity impacts.

Welcome and Introductions

Oregon Solutions co-convener Keith Tymchuk opened the meeting with his gratitude for such a good turnout. After introductions, Keith acknowledged that there have been concerns voiced about perceived misrepresentation in the press of the crabbers/fishermen support of this project. Keith spoke to the diligent efforts to be clear with the press regarding the existence of real issues and the need to address them. This meeting is an example of wanting to better understand and find ways to address the issues.

Project Overview

Steve identified the recent receipt of a preliminary permit from FERC. He emphasized that this permit only provides OPT with the ability to study the site. There are other permitting requirements for installation of a single buoy and for 14 buoy installation.

The following table identifies the phases of the project and the license authority associated with the phases.

Phase	Number of Buoys	Number of MW	Number of Houses	Value of Power ¹	Installation	License Authority
I	1	0.15	60	\$ 22,995	Spring 2008	ACOE
II	14	2	800	\$ 306,600	Fall 2008	FERC
III	200	50	20,000	\$7,665,000	2010?	FERC

¹ Estimates are based assumptions of 35% capacity factor and \$50/MWh price of power.

Steve further emphasized that the area identified in the FERC application is the area under study. Area impacted by actual development would be smaller than the FERC study area:

Single Buoy: 400 yards by 400 yards
 14 Buoy Array: ¼ mile by ¼ mile
 Full Build-Out: ½ mile by 3 miles
 Study site: 1 mile by 5 miles

There was a lot of discussion about broader development on the coastline. How many parks might there be and what is the cumulative impacts to crabbing and fishing. The group spent some time talking about the 6 different preliminary permit filings in Oregon and others that have recently been made in California.

Oregon:

- OPT preliminary permit for Reedsport
- OPT filing for location near Coos Bay
- OPT filing for location in Lincoln County
- Finavera filing for location near Bandon
- Lincoln County filing for full county shoreline
- Douglas County filing for full county shoreline recently amended to address just the jetty

Crabbers/fishermen are most concerned with how decisions will be made for all of these sites. Will they be able to have input into the process? The group wants to ensure that the coastal communities have a voice in this process and that local communities' needs are being met. There is strong interest in a process that involves FERC, State and county.

Lost Gear

At the last meeting there was a lot of discussion about the impact of gear that could drift into the park and be lost. In response to that discussion, Steve Kopf presented an idea for discussion:

- Parties register gear that is expected to be used in the area of the wave park with a third-party (maybe the Crab Commission).
- If gear is believed to be lost in the wave park, a claim is filed to the third-party organization.
- If the party was registered, the third-party would pay \$X/pot for replacement of the gear.

- No clear approach about what to do with recovered gear was identified.

Reactions:

- Given newly implemented pot limits, crabbers are more concerned about lost productivity from a lost pot than the gear itself.
- Because of the productivity impacts, crabbers don't want to have to wait to replace their tag and gear.
- The current process to replace a lost tag is 45 days.
- The best crabbing can be within the first 45 days.
- Parties would prefer that gear be recovered by OPT as quickly as possible. Due to liability issues, they are not interested in recovering their gear themselves.
- Each crabber has different colored buoys, they may be able to be visually spotted within the wave park and be easy to recover.
- An idea of progressive payment for lost gear based on how long before the tags/gear returned was presented
- A question was asked whether administrative costs of this program be covered by OPT.
- Steve asked the question of how many pots are likely to be lost in a year. First reaction is we don't know, but it has the potential to be a very high number.

Steve was quite grateful for all the input and feedback. He emphasized that this is the value in meeting and discussing these issues.

Send further ideas to Al Pazar or Shirley at the Oregon Dungeness Crab Commission. Steve will coordinate with ODCC and we can discuss other approaches the next time the group gets together.

Safety

There was a brief discussion of safety issues associated with the wave park. There were questions about whether you could navigate through the park. The general thought is that it would not be wise to navigate through the park. This prompted a question as to whether passing lanes made sense. The group generally felt that a ¼ mile passing lane every 1 mile would be helpful.

Lost Productivity

The FERC process will require OPT to estimate the economic impacts to crabbing and fishing of the wave park. Steve asked the group to share some ideas about how best to estimate the impact of lost productivity from the ½ mile by 3 mile area that will be closed to crabbing and fishing.

The predominant response is that the impacts are really unknown at this point. There is acknowledgement that the wave park will make catching crab/fish less convenient, but it is unknown whether there will be an overall reduction in catch.

Ideas Generated:

- Hire an economist to estimate the impacts (a well-known Waldport economist was suggested)
- In response to that, there was a suggestion that a more detailed GIS type analysis be developed and analyzed.
- Analytical structure could estimate the loss based on the \$ value of production per pot in a highly productive area versus \$ value of production per pot in a less productive area using an assumption of 600 pots in a square mile. The underlying assumption is that a highly productive area is lost and requires pots to move to a less productive area.
- Given the uncertainty around the impacts, a suggestion was made to make an estimate, monitor impacts and review the estimate after 2 years.

Onno Husing suggested that the crabbing/fishing community need to think about how best to organize in order to understand and address the impacts of this industry across the state. Specifically, Onno suggested the crabbing/fishing community needs to understand the FERC process and be prepared to have a sophisticated response to the impacts on crabbing/fishing. However, Onno also suggested that there is benefit from these 14 buoys moving forward so that we all can learn about the process and the impacts. Although the state-wide issues need to be addressed, these 14 buoys can be addressed in less sophisticated manner so that we can better understand the issues. A single voice to work with on the issues for the 14 buoys is needed.

Next Steps

There was discussion about how best to meet with this group again? Should we continue with the larger group meetings, should there be representatives identified, or should we establish subgroups on issues? The group felt it was important that each of the key Commission's be represented in discussions about next steps. Therefore, Therese will work with Al Pazar, Onno Husing, Salmon Commission, and the Trawl Commission to establish the best approach for working through these issues.

Oregon Solutions and OPT will identify information needs over the next 6-12 months and with that information, the subgroup of Commission representatives will determine how best to work with the industry to get the information.

Summary of Next Steps:

- Ideas on lost gear provided to Al Pazar or Shirley at ODCC.
- Steve Kopf and OPT to provide information requirements over the next 6-12 month.
- Therese to work with Commission representatives to determine best way to meet again.