

CERTIFIED MAIL; RETURN RECEIPT REQUESTED

June 12, 2009

Julie Keil, Hydropower Relicensing
Portland General Electric Company
121 SW Salmon St. - 3WTC BRHL
Portland, OR 97204

Re: TMDL Order for Clackamas Hydroelectric Project, FERC Project No. 2195

Dear Ms. Keil:

Portland General Electric Company (PGE) owns and operates the Clackamas Hydro-electric Project (Project). The Project is located in the Clackamas Basin upstream of the city of Estacada in Clackamas County, Oregon. In September, 2006, DEQ issued a Total Maximum Daily Load for Temperature for the Willamette Basin. This DEQ Order included a Load Allocation for temperature for PGE's Clackamas Project. As requested, on December 15, 2008, PGE submitted an Implementation Plan to DEQ, describing how PGE planned to meet the thermal load allocation.

On June 11, 2009, DEQ issued a Water Quality Certification for the Clackamas Hydroelectric Project for waters upstream of River Mill Dam. Also on June 11, 2009, DEQ approved the TMDL Implementation plan. Generally, the TMDL plan is included in the § 401 Water Quality Certification. In this case, DEQ was not able to certify that the Clackamas Project downstream of River Mill Dam would comply with all water quality standards. However, DEQ has determined that PGE's performance of the TMDL Implementation Plan, in conjunction with the gravel addition at River Mill Dam, and changes to PGE's operations at Faraday Lake required under the § 401 Certification, will employ all practical management strategies to achieve the temperature Load Allocation for the Project for Clackamas River downstream of River Mill Dam.



The enclosed TMDL order provides additional assurance to DEQ that PGE will implement the TMDL Plan. The plan includes many projects that will improve conditions in the Clackamas River. DEQ appreciates PGE's commitment to improving water quality in the Clackamas Basin, and looks forward to working with PGE as both the Plan and the new FERC license are put into action. If you have any questions about this document, please contact Avis Newell of our staff at (503)229-6018 or NEWELL.Avis@deq.state.or.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Dick Pedersen", with a long, sweeping horizontal stroke extending to the right.

Dick Pedersen
Director

Enclosures: TMDL Order
TMDL Implementation Plan

STATE OF OREGON
DEPARTMENT OF ENVIRONMENTAL QUALITY

In the Matter of the Willamette Basin)	TMDL Implementation Order for
Total Maximum Daily Load for)	Portland General Electric
Temperature)	Company, Clackamas River
)	Hydroelectric Project

I. Authority

The Oregon Department of Environmental Quality (DEQ) issues this TMDL Implementation Order (Order) pursuant to Oregon Revised Statutes (ORS) 468B.020 and 468B.110 and Oregon Administrative Rules (OAR) Chapter 340 Division 42, to require performance of measures necessary to achieve load allocations for temperature assigned to the Clackamas River Hydroelectric Project.

II. Findings

1. Portland General Electric Company (PGE) is an electric utility organized under the laws of the State of Oregon. PGE owns and operates the Clackamas River Hydroelectric Project (Project) located in the Clackamas River Basin in Clackamas County, Oregon.
2. In August 2004, PGE applied to the Federal Energy Regulatory Commission (FERC) for a new license for the Project (FERC Project No. 2195). Also in August 2004, PGE applied to DEQ for water quality certification for the Project pursuant to Section 401 of the federal Clean Water Act and state law. PGE subsequently withdrew and resubmitted the § 401 certification application, with the last application being filed on June 20, 2008.
3. The Project consists of dams, reservoirs, diversions, powerhouses, and appurtenant facilities on the Oak Grove Fork and mainstem of the Clackamas River. Water released from River Mill Dam flows into the lower Clackamas River. The presence and operation of the Project reduces the daily variation in water temperatures and causes warmer maximum temperatures in the lower Clackamas River.
4. On September 21, 2006, pursuant to the Clean Water Act, 33 U.S.C. § 1313(d), and state law, ORS Chapter 468B, DEQ issued a Total Maximum Daily Load for the Willamette Basin (Willamette Basin TMDL), including the Clackamas River. The Willamette Basin TMDL defines the amount of certain pollutants that can be present in waterbodies in the Willamette Basin without causing water quality criteria to be violated. The Willamette Basin TMDL assigned the Project a Load Allocation of 0.15° C for temperature in the lower Clackamas River below River Mill Dam. On September 29, 2006, the U.S. Environmental Protection Agency approved the Willamette Basin TMDL.

5. On March 2, 2006, PGE, DEQ, and other parties entered a *Settlement Agreement Concerning the Relicensing of the Clackamas River Hydroelectric Project* (Settlement Agreement). The Settlement Agreement, when implemented through a new FERC license, will provide for an extensive suite of measures to protect, mitigate, and enhance water quality and other resources affected by the Project. Those measures include gravel augmentation below River Mill Dam. Further, on July 21, 2008, PGE filed with FERC a request that the Project be modified to require either seasonal drawdown or channelization of Faraday Lake to produce water temperature reductions.

6. On December 15, 2008, PGE submitted to DEQ a *Draft Clackamas River Project Total Maximum Daily Load Implementation Plan*. This plan is required under the Willamette Basin TMDL, ORS Chapter 468B, and OAR 340-042-0080. The draft plan described strategies to be employed by PGE to address the Project's Load Allocation for temperature below River Mill Dam. Those strategies include gravel augmentation below River Mill Dam, tributary shading in the lower Clackamas River watershed, and habitat projects in side channels.

7. On June 11, 2009, DEQ issued a § 401 Certification that the Project will comply with the Clean Water Act, state water quality standards, and other appropriate requirements of state law related to water quality, for waters located above River Mill Dam. Conditions to the § 401 Certification require, among other measures, gravel augmentation below River Mill Dam and changes to operations of Faraday Lake (seasonal drawdown or channelization).

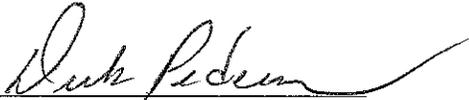
8. On June 11, 2009, DEQ approved the final *Clackamas River Project Total Maximum Daily Load Implementation Plan* (TMDL Implementation Plan), attached to and incorporated into this Order as Appendix 1. DEQ has determined that PGE's performance of the TMDL Implementation Plan, in conjunction with the gravel and Faraday measures required under the § 401 Certification, will employ all practical management strategies to achieve the temperature Load Allocation for the Project for waters located below River Mill Dam. The purpose of this Order is to require performance of those measures described in the TMDL Implementation Plan that are not required to be performed under the § 401 Certification -- specifically, tributary shading in the lower Clackamas River watershed and habitat projects in side channels.

9. DEQ will consult and coordinate with parties to the Settlement Agreement, including through the Fish Committee, during the oversight and administration of the TMDL Implementation Plan.

III. ORDER

Based on the above Findings, DEQ orders PGE to perform tributary shading, habitat projects, and reporting set forth in the TMDL Implementation Plan attached to and incorporated into this Order as Appendix 1, in accordance with the terms and schedule set forth in the plan.

ISSUED AND SO ORDERED



Dick Pedersen
Director

Dated June 12, 2009.

