

MEETING NOTES

DOMINION ENERGY Habitat Enhancement Program (HEP) Meeting

April 2, 2019

Final KMK 4-30-19

ATTENDEES:

Bill Argentieri (Dominion)
Randy Mahan (Dominion)
Pace Wilber (NMFS)
Derrick Miller (USFS)
Keith Whalen (USFS)
Melanie Olds (USFWS) via conf. call
Bill Marshall (SCDNR)
Elizabeth Miller (SCDNR)

Rusty Wenerick (SCDHEC)
Gerrit Jobsis (American Rivers)
Bill Stangler (Congaree Riverkeeper)
Jeff Carter (Local Homeowner)
Alison Jakupca (Kleinschmidt)
Henry Mealing (Kleinschmidt)
Kelly Kirven (Kleinschmidt)

These notes are a summary of the major points presented during the meeting and are not intended to be a transcript or analysis of the meeting.

Bill A. opened the meeting with a safety moment and then turned the meeting over to Alison, who initiated introductions. Alison then provided the group with some background on the habitat enhancement program (HEP). The HEP is a Protection, Mitigation, and Enhancement (PM&E) measure included in the Parr Project license application and the Comprehensive Relicensing Settlement Agreement (CRSA) with the goal of providing annual funding to various projects within a specific region for the enhancement of aquatic habitat. Signatories to the CRSA and other regulatory agencies agreed to meet within one year after the new license was issued to develop a charter through which the HEP would be governed. Dominion decided to meet with stakeholders prior to the one-year mark to begin working through a draft charter to avoid a time crunch after the license is issued. Dominion and Kleinschmidt developed a draft charter and distributed it to the CRSA signatories (and USFS and SCDHEC representatives) for review. Kelly told the group that the draft charter was based on the charter developed for the Keowee-Toxaway HEP and the HEP document that stakeholders developed for inclusion in the CRSA. At the meeting, Dominion and stakeholders discussed and provided edits to the document, which were captured in track changes. The track-changed document is attached to these meeting notes. A clean version that reflects edits from the meeting is also attached to these notes. A summary of various edits discussed at the meeting is included below.

- Before the document is finalized, “SCE&G” will be replaced with “Dominion Energy.”
- Add page numbers to the document.
- Pace requested that the document indicate that funds could be used at the Columbia Fishway if the City of Columbia surrenders their license.

- The group discussed voting eligibilities, a quorum, and voting by proxy. The group agreed that proxy votes are not allowed. Voting member and quorum definitions were added to Section IV.
- The group agreed to remove the stipulation in Section V that Proposal Review Committee Members must serve on the committee in three- to five-year terms.
- The group made various modifications to Sections VI, VII, and VIII; Proposal Review Committee Member Responsibilities, Dominion Responsibilities, and Mutual Responsibilities.
- Section IX was modified to allow for meeting participation by telephone or videoconference.
- Section XI was modified to stipulate that enhancement projects must not be compliance regulated activities such as FERC license or other regulatory agency requirements.
- Section XI was modified to stipulate that proposals submitted each year should be for an activity that will be started in the following calendar year and that funding would be provided prior to the end of the current calendar year on a case-by-case basis.
- Section XI was modified to allow for funding of the fishway monitoring at the Broad River division dam at the Columbia Canal, should the FERC license be surrendered, and the Licensee is not obligated to continue this monitoring.
- Section XI was modified to simplify the schedule for accepting, approving, and funding proposals.
- The group discussed how the proposals will be evaluated. Kleinschmidt will develop a standard criteria strawman for the group to review and edit.
- The group discussed third-party options and the pros and cons of having a third-party hold and administer the money vs. Dominion hold the money. This will be discussed further at additional meetings.
- The group noted that all changes made to the HEP are considered draft until the license is issued and a license article is created by FERC.

The group adjourned. Action items are listed below.

ACTION ITEMS:

- Kleinschmidt will develop a standard criteria rubric strawman for evaluating proposals. Gerrit will provide information on proposal evaluation from the Tallassee project. This information will be distributed to the group for their review prior to the next meeting.
- Kleinschmidt will revise the HEP charter according to the edits discussed at the meeting and redistribute to the group for additional review.
- Dominion will schedule a meeting later this year where the group can meet with representatives from various third-party organizations to determine if using a third-party to hold and administer HEP funds is the best option.

Parr Hydroelectric Project (FERC No. 1894) Habitat Enhancement Program Charter

- I. Background
 - a. South Carolina Electric & Gas Company (SCE&G) and stakeholders signed a Comprehensive Relicensing Settlement Agreement (CRSA) during relicensing of the Parr Hydroelectric Project (Project) (Federal Energy Regulatory Commission [FERC] Project No. 1984). The CRSA provided for the development of a Habitat Enhancement Program (HEP) for the Project. The HEP will exist for the term of the new license and will be administered by SCE&G to encourage, review, evaluate, coordinate and fund project proposals to accomplish the HEP purpose.
- II. HEP Purpose and Goal
 - a. The purpose of the Parr HEP is to restore, enhance, and protect aquatic, wetland, and riparian habitats and the associated natural resources of the Project area and portions of the Broad, Saluda, and Congaree River watersheds, which shall be defined and referred to as the HEP Area.
 - b. The goal of the Parr HEP is to fund on-the-ground conservation actions in the HEP Area.
- III. Purpose of Charter
 - a. This charter establishes operational procedures for the execution of the HEP by the Proposal Review Committee (PRC) consistent with Appendix A-8 of the CRSA. Administration of the HEP and decisions of how to spend HEP funds are in accordance with this charter, which was developed by SCE&G in cooperation with stakeholdersCRSA signatories.
- IV. Definitions
 - a. Habitat Enhancement Program (HEP) Administrator – The entity responsible for implementing the HEP; the HEP Administrator is SCE&G.
 - b. Proposal Review Committee (PRC) – The administrating body of the HEP, consisting of the PRC Administrator and PRC Members.
 - c. Proposal Review Committee (PRC) Administrator – The entity responsible for running the PRC; the PRC Administrator is SCE&G. The PRC Administrator will act as meeting facilitator.
 - d. Proposal Review Committee (PRC) Members – Stakeholders that are signatories to the CRSA (which includes American Rivers; American Whitewater; Congaree Riverkeeper; NOAA, National Marine Fisheries Service, Southeast Region; South Carolina Department of Natural Resources; United States Fish and Wildlife Service; and some individuals) and/or any agency that may not be a signatory to the CRSA but participated in the Project relicensing and has regulatory authority relative to Project related natural resource issues (i.e. Department of Health & Environmental Control and United States Forest Service).
 - e. Voting Member – Each PRC Member has one vote unless the PRC Member submits a proposal, then the PRC Member must recuse itself from deliberations and voting on that particular proposal.
 - f. Proposal Review Committee Member Representative – The individual appointed by each PRC Member to represent that PRC Member on the PRC.
 - g. Quorum – Fifty-Percent or more of the PRC membership.
- V. Proposal Review Committee Membership

Commented [AWR(-81): Add sentence such as: This charter was developed in consultation with the CRSA signatories that changed the HEP fund in the CRSA.

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- a. Entities eligible to serve on the PRC include SCE&G, signatories to the CRSA with knowledge of Project related natural resource issues, and any agencies that may not be signatories to the CRSA but participated in Project relicensing and have regulatory authority relative to Project related natural resource issues.
- b. New members may be added to the PRC as such parties are formed and if the PRC agrees that their addition will provide value to the HEP and they become signatories to the CRSA.
- c. ~~The PRC will consist of at least five voting members. SCE&G will act as the administrator of the PRC.~~
- d. SCE&G will establish the PRC in accordance with this HEP charter and will convene an initial coordination meeting of the PRC within six months after FERC issuance of the new license, and if required, FERC approval of this Charter.
- e. ~~Initially, PRC Members will serve a five-year term beginning [date] with reappointment for subsequent three-year terms being possible. Any signatory to the CRSA wanting to serve on the initial PRC must identify their representative to SCE&G by [date].~~
- f. ~~All subsequent PRC Members will serve three year terms.~~
- g.e. ~~Signatories to the CRSA will appoint subsequent representatives to the PRC prior to the expiration of the existing PRC member's term. Eligible entities who wish to serve on the PRC after initial PRC establishment, must notify SCE&G by [date] of each year to initiate their three year term.~~
- h. ~~To obtain an appointment and retain that appointment, a PRC Member/representative must:~~
 - i. ~~Remain employed by or have authorization to represent the member organization signatory to the CRSA that appointed them; or remain employed by or have authorization to represent any agency that may not be a signatory to the CRSA but participated in Project relicensing and have regulatory authority relative to Project related natural resource issues; and~~
 - ii. ~~Have an interest in aquatic or wildlife habitats; and~~
 - iii. ~~Have knowledge of local and regional aquatic or wildlife habitat needs and issues.~~

VI. Proposal Review Committee Member Responsibilities

- a. PRC Member representatives must represent their respective organizations or interest areas and update their organization or interest area constituents on the progress and decisions on HEP funding.
- b. PRC Members will meet at least once during each calendar year during the term of the new Project license for the purpose of reviewing and approving the annual listing of funding proposals. Additional meetings may be scheduled by the PRC administrator as required and/or requested by the ~~Committee~~-PRC Members. Non-controversial subjects (as determined by the PRC administrator) may be addressed and acted upon via teleconference and/or email.
- c. PRC Members will develop and revise as necessary the funding proposal application format to ensure adequate information is provided to evaluate the merits of each proposal. Information on the proposal application is included in Section XI.
- d. PRC Members will evaluate funding proposals at least once annually.

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- e. PRC Members are expected to participate in all scheduled PRC meetings through their appointed representative. If the appointed PRC Member representative is unable to participate in a specific meeting, the PRC Member may select an alternative representative by contacting the PRC Administrator prior to the meeting. ~~If a PRC Member is not represented at two consecutive meetings, that PRC Member's appointed representative will be excused from the PRC and the PRC Member will be expected to appoint a new representative prior to the next scheduled meeting. Proxy votes are not allowed.~~
- f. PRC Member representatives are expected to have read and evaluated all materials that are planned for discussion at the upcoming meeting (including, but not limited to, funding applications, meeting summaries, and reports) and be prepared to comment on the materials.
- g. PRC Members will develop coordinated statements for use with the media. The PRC will communicate consistently to the media and other public bodies regarding habitat enhancement activities and funding decisions. When speaking to the media or other public bodies regarding the HEP, PRC Members will not state their opinion on any position of other PRC Members.

VII. SCE&G Responsibilities

- a. SCE&G will administer the HEP, PRC, and Charter and act as PRC meeting facilitator.
- b. SCE&G will provide HEP proposal forms and additional information on the SCE&G website at www.sceg.com.
- c. SCE&G will ~~review receive~~ HEP proposals by ~~[month]~~July 31 of each year, ~~beginning in [year] and ensure they are complete once they are received. Incomplete HEP proposals will be returned to the applicant explaining the deficiencies in writing. Proposals submitted each year should be for an activity that will be started in the following year.~~
- d. SCE&G will provide all ~~complete~~ proposals they receive to PRC Members for review and comment. ~~SCE&G will schedule a meeting for decisions on the proposals. The meeting will take place no later than November 15.~~
- e. SCE&G will communicate to the HEP applicants the decision whether to approve, approve with modifications, or deny the application within 15 days after the PRC makes its recommendations and develops the monitoring and reporting requirements.
- f. ~~SCE&G will monitor the HEP fund balance and ensure the PRC established minimum threshold is maintained and that funding awards are not made that would reduce the fund balance below the minimum threshold. The PRC established minimum threshold is further described in Section X (b) and Appendix A.~~
- g. SCE&G will provide annually, ~~by [date]~~, to PRC Members and the fiduciary entity, a brief report ~~that may be made available to the public~~ describing enhancement activities utilizing funds from the HEP conducted during the previous calendar year. The report will identify each funded activity by location, total expenditure, and expenditure during the subject calendar year. ~~For distribution to the PRC Members and others as deemed appropriate. The report will also provide summaries of significant successes or failures and lessons learned for each activity in accordance with any monitoring plan(s) and reporting requirements as stipulated in the HEP funding proposal approval.~~

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- h. SCE&G will provide logistical support including distributing list of PRC Member representatives and any representative changes, proposals, developing agendas, scheduling meetings, and assisting with meeting summaries and/or arrange for this support for PRC meetings. SCE&G will ~~also determine if whether~~ a quorum ~~for % of the PRC membership is present~~ for conducting PRC business is present. All PRC decisions will be by at least % majority vote of the quorum (e.g., 4 of 5, 5 of 6, 5 of 7, or 6 of 8 members, etc.).
- i. SCE&G will ensure the administrative functions of the PRC are accommodated and carried through, including calling meetings, providing agendas, developing meeting summaries, etc.

VIII. SCE&G and Proposal Review Committee Member Mutual Responsibilities

- a. PRC Members shall identify their representative to SCE&G prior to the first PRC meeting.
The PRC Members will notify SCE&G of changes to their appointed representative prior to subsequent PRC meetings.
- a-b. SCE&G and PRC Members will review the funding mechanism at least annually for the life of the HEP.
- b-c. In the event a signatory withdraws from the CRSA per the terms of the CRSA, that signatory's representative will cease to serve on the PRC.
- d. SCE&G and PRC Members will work in partnership to promote the HEP and its benefits to aquatic and wildlife habitats in discussions with other resource management agencies, adjoining property owners, land developers, governments, elected officials, non-governmental organizations, anglers, and the general public.
- e-e. SCE&G and PRC Members will solicit projects for funding.
- d-f. SCE&G and PRC Members agree each will be responsible for its own acts and the results thereof and shall not be responsible for the acts of the other PRC Members and the results thereof. SCE&G and PRC Members agree that each assumes all risk for itself, its agents or employees for any loss, cost, damage or expense resulting from occupying or visiting the premises under and pursuant to the CRSA and/or the HEP.

IX. Proposal Review Committee Functions

- a. A quorum must be present for conducting PRC business. PRC Members participating by telephone or videoconference will be considered present.
- a-b. The PRC will establish an approach for evaluating and ranking proposals based on their potential to restore, enhance, and protect aquatic, wetland, and riparian habitats and the associated natural resources.
- b-c. Proposals will be accepted from any organization or individual including PRC Members; however, if a PRC Member submits a proposal then that member must, after the proposal submittal plus submittal of such additional information and presentation(s) as requested by the rest of the PRC Members, recuse itself from deliberations and voting on that particular proposal.
- c-d. The PRC ~~will~~ may identify priority areas topics and/or geographic areas for funding plus specific criteria and other mechanisms for evaluating proposals; however, eligible proposals will be subject to limits of locations and types of projects as described under Section XI: HEP Proposal Funding Eligibility.

X. HEP Funding

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- a. SCE&G will make an annual contribution to the HEP equal to the amount deducted from the FERC and other federal agency administrative charges for pumping energy expended after subtracting 10.6 percent for the cost of Transmission and Distribution (T&D)¹ of the power to the Fairfield Pumped Storage Development. Since the fluctuation of Parr Reservoir (and associated unavoidable impacts) during a given year correlates strongly with the amount of pumped storage operation that year, the annual HEP contribution will be greater in years with more pumped storage operation, and smaller in years with less pumped storage operation. Appendix A includes additional information on how SCE&G's annual contribution to the HEP is determined.
- b. SCE&G will contribute to the HEP an annual minimum of \$50,000 in the year the license is issued. Every five years, this figure will be adjusted according to the previous five year average of the Producer Price Index (PPI)². In the event any elements of the HEP formula are changed pursuant to changes in law or FERC regulation, which result in substantial reduction or increase in annual contributions, SCE&G will convene the signatories to the CRSA to adopt an appropriate substitute funding mechanism.
- c. SCE&G will make the HEP contribution during the fourth quarter of the same calendar year in which the annual charges are paid. ~~The funds will may be held in an interest bearing account with a third party as agreed to by the PRC.~~ Otherwise, they will be held by SCE&G.

XI. HEP Proposal Funding Eligibility

- a. The PRC will establish an approach for evaluating and ranking proposals based on their potential to restore, enhance, and protect aquatic, wetland, and riparian habitats and the associated natural resources.
~~a-b. Enhancement projects must not be compliance related activities such as FERC license or other regulatory agency requirements.~~
- c. Proposals will be accepted from any organization or individual that meets the criteria listed under Section XII (c) including PRC members; however, if a PRC member submits a proposal then that member must recuse itself from deliberations and voting on the proposal.
~~b-d. Proposals submitted each year should be for an activity that will be started in the following calendar year. Funding may be provided prior to the end of the current calendar year on a case-by -case basis.~~
- e. The location of projects eligible for funding must be within a geographic area defined by the following watersheds or portions of watersheds (and federal hydrologic units codes (HUCs)) of the Broad, Saluda, and Congaree Rivers (also see map in Appendix B) (Reference: SCDHEC Watershed Atlas – <https://gis.dhec.sc.gov/watersheds/> - based on the National Watershed Boundary Dataset):
 - i. Lower Broad River 8 Digit Watershed: HUC 03050106 – entire watershed

Commented [KMK2]: Revise once the group decides where the funds will be held.

¹ Based on SCE&G General Service Class Rates 23 & 24 T&D percentage. This will stay constant for the term of the license.

² This is the Bureau of Labor Statistics Non-Seasonally Adjusted Overall Final Demand, 12-month percent change.

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- ii. Tyger River 8 Digit Watershed: HUC 03050107 – that portion downstream of the towns of Pacolet and Woodruff
- iii. Enoree River 8 Digit Watershed: HUC 03050108 – that portion downstream of the towns of Woodruff and Gray Court
- iv. Twelvemile Creek – Saluda River 10 Digit Watershed: HUC 0305010914 – entire watershed
- v. Congaree River 8 Digit Watershed: HUC 03050110 – entire watershed

d-f. Eligible projects must be of the following type (types may be reevaluated on some frequency):

- i. Conservation of lands for the purpose of protecting aquatic resources by fee simple acquisition, conservation easements, or other conservation measures agreed to by the PRC
- ii. Restoration or enhancement of stream channels, stream banks, riparian areas, shorelines, and wetlands
- iii. Removal of barriers to aquatic species (~~this includes voluntary aquatic habitat enhancements that are not compliance related activities such as FERC license or other regulatory agency requirements~~)
- iv. Conservation, restoration, and enhancement of habitat for threatened and endangered species (T&E) and at-risk species, with an emphasis on aquatic species
- v. Conducting research, monitoring, enhancement of T&E and at-risk species' populations, with an emphasis on aquatic species
- vi. Creation or construction of habitats and nesting boxes to support fish and wildlife species, with an emphasis on aquatic species
- vii. Fertilizing and aquatic plant control in the Monticello sub-impoundment
- viii. Conducting research and monitoring to support restoration of migratory fishes and other aquatic resources (such as conducting the fishway monitoring at Broad River diversion dam at the Columbia Canal should the FERC license be surrendered, and the Licensee is not obligated to continue this monitoring)
- ix. Developing low-impact facilities to access waterways for fishing and boating
- x. Studies, design/engineering plans, monitoring, etc., are eligible for funding if their purpose is to support projects described in previous bullets

e-g. Proposals with cost-sharing and/or in-kind support will be favored.

XII. HEP Proposal Application Review and Evaluation Process

- a. ~~The PRC will review and evaluate all HEP proposals and decide which projects to fund. All PRC decisions will be by ¾ majority vote (e.g., 4 of 5, 5 of 6, 5 of 7, 6 of 8 members, etc.).~~
- b. ~~The PRC will issue a Request for Proposal (RFP) at least 90 days prior to the close of the application period, within 60 days after the annual payment is made to the HEP fund. Proposals requesting HEP funds must be submitted to SCE&G. SCE&G will forward all complete proposals to the PRC for evaluation and recommendations. Final decisions on proposals received will be made by the PRC within three months after the RFP submittal deadline.~~

Commented [AWR(-83): Make sure this is consistent with the previous changes.

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- c. SCE&G will only accept HEP funding proposals from government agencies, academic institutions and tax-exempt 501(c)(3) organizations annually from [date through date], beginning in [year]. Individuals and private companies may not apply for HEP funding proposals, but are allowed to partner with either a government agency or a tax-exempt organization to apply for funds.
- d. Each [month], SCE&G will forward all proposals it received during the [date through date] period to the PRC for evaluation and funding recommendations. Funding for successful proposals will be awarded in [month] of the same year.
- e.d. The PRC will develop and utilize standard criteria in their evaluation. These criteria will be consistent with this charter. Individual project scoring will be available to the public by [date] of each year.
- f.e. The PRC will determine the total funds awarded each year and may decide to award funds in a different amount than requested by the applicant.
- g.f. Each complete application will be given fair and equitable consideration.
- h.g. SCE&G will determine final funding decisions for HEP proposals after considering PRC recommendations. It is SCE&G's intent to approve all PRC recommended proposals but if SCE&G does not approve a PRC recommended proposal, SCE&G will provide its reasons to the PRC.

Commented [KMK4]: Discussion item for meeting – developing standard criteria for proposal evaluation

XIII. HEP Funding Award Process

- a. SCE&G will advise the fiduciary entity to release funds to applicants with approved projects.
- b. SCE&GPRC may include stipulations in the approval letter to the applicant on the use of the funds, target completion date for the work, monitoring plan(s), progress reports, and reporting requirements upon completion of the project.
- c. Funds for successful proposals will may be available in [month] and may be released at the SCE&GPRC's discretion by one of the following methods:
 - i. Lump sum to the applicant once the proposal has been approved;
 - ii. Provide 50 percent of the total approved funding when the proposal has been approved and the remainder once work is complete;
 - iii. Reimbursed to the applicant only upon project completion;
 - iv. Other payment process as As otherwise agreed to between SCE&G, PRC and the applicant.

Commented [AWR(-85): Revise if funds held by SCE&G instead of interest bearing account.

XIV. Charter Modifications

- a. This charter can be modified, consistent with the CRSA, as determined appropriate by the PRC. Any changes must be approved by at least 75 percent of the membership of the PRC.

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I. Background

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- h. SCE&G will ensure the administrative functions of the PRC are accommodated and carried through, including calling meetings, providing agendas, developing meeting summaries, etc.

VIII. SCE&G and Proposal Review Committee Member Mutual Responsibilities

- a. PRC Members shall identify their representative to SCE&G prior to the first PRC meeting. The PRC Members will notify SCE&G of changes to their appointed representative prior to subsequent PRC meetings.
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- d. SCE&G and PRC Members will work in partnership to promote the HEP and its benefits to aquatic and wildlife habitats in discussions with other resource management agencies, adjoining property owners, land developers, governments, elected officials, non-governmental organizations, anglers, and the general public.
- e. SCE&G and PRC Members will solicit projects for funding.
- f. SCE&G and PRC Members agree each will be responsible for its own acts and the results thereof and shall not be responsible for the acts of the other PRC Members and the results thereof. SCE&G and PRC Members agree that each assumes all risk for itself, its agents or employees for any loss, cost, damage or expense resulting from occupying or visiting the premises under and pursuant to the CRSA and/or the HEP.

IX. Proposal Review Committee Functions

- a. A quorum must be present for conducting PRC business. PRC Members participating by telephone or videoconference will be considered present.
- b. The PRC will establish an approach for evaluating and ranking proposals based on their potential to restore, enhance, and protect aquatic, wetland, and riparian habitats and the associated natural resources.
- c. Proposals will be accepted from any organization or individual including PRC Members; however, if a PRC Member submits a proposal then that member must, after the

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proposal submittal plus submittal of such additional information and presentation(s) as requested by the rest of the PRC Members, recuse itself from deliberations and voting on that particular proposal.

- d. The PRC may identify priority topics and/or geographic areas for funding plus specific criteria and other mechanisms for evaluating proposals; however, eligible proposals will be subject to limits of locations and types of projects as described under Section XI: HEP Proposal Funding Eligibility.

X. HEP Funding

- a. SCE&G will make an annual contribution to the HEP equal to the amount deducted from the FERC and other federal agency administrative charges for pumping energy expended after subtracting 10.6 percent for the cost of Transmission and Distribution (T&D)¹ of the power to the Fairfield Pumped Storage Development. Since the fluctuation of Parr Reservoir (and associated unavoidable impacts) during a given year correlates strongly with the amount of pumped storage operation that year, the annual HEP contribution will be greater in years with more pumped storage operation, and smaller in years with less pumped storage operation. Appendix A includes additional information on how SCE&G's annual contribution to the HEP is determined.
- b. SCE&G will contribute to the HEP an annual minimum of \$50,000 in the year the license is issued. Every five years, this figure will be adjusted according to the previous five year average of the Producer Price Index (PPI)². In the event any elements of the HEP formula are changed pursuant to changes in law or FERC regulation, which result in substantial reduction or increase in annual contributions, SCE&G will convene the signatories to the CRSA to adopt an appropriate substitute funding mechanism.
- c. SCE&G will make the HEP contribution during the fourth quarter of the same calendar year in which the annual charges are paid. [The funds may be held in an interest-bearing account with a third party as agreed to by the PRC.] Otherwise, they will be held by SCE&G.

XI. HEP Proposal Funding Eligibility

- a. The PRC will establish an approach for evaluating and ranking proposals based on their potential to restore, enhance, and protect aquatic, wetland, and riparian habitats and the associated natural resources.
- b. Enhancement projects must not be compliance related activities such as FERC license or other regulatory agency requirements.
- c. Proposals will be accepted from any organization or individual that meets the criteria listed under Section XII (c) including PRC members; however, if a PRC member submits a proposal then that member must recuse itself from deliberations and voting on the proposal.
- d. Proposals submitted each year should be for an activity that will be started in the following calendar year. Funding may be provided prior to the end of the current calendar year on a case-by -case basis.

Commented [KMK2]: Revise once the group decides where the funds will be held.

¹ Based on SCE&G General Service Class Rates 23 & 24 T&D percentage. This will stay constant for the term of the license.

² This is the Bureau of Labor Statistics Non-Seasonally Adjusted Overall Final Demand, 12-month percent change.

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- e. The location of projects eligible for funding must be within a geographic area defined by the following watersheds or portions of watersheds (and federal hydrologic units codes (HUCs)) of the Broad, Saluda, and Congaree Rivers (also see map in Appendix B) (Reference: SCDHEC Watershed Atlas – <https://gis.dhec.sc.gov/watersheds/> - based on the National Watershed Boundary Dataset):
 - i. Lower Broad River 8 Digit Watershed: HUC 03050106 – entire watershed
 - ii. Tyger River 8 Digit Watershed: HUC 03050107 – that portion downstream of the towns of Pacolet and Woodruff
 - iii. Enoree River 8 Digit Watershed: HUC 03050108 – that portion downstream of the towns of Woodruff and Gray Court
 - iv. Twelvemile Creek – Saluda River 10 Digit Watershed: HUC 0305010914 – entire watershed
 - v. Congaree River 8 Digit Watershed: HUC 03050110 – entire watershed
 - f. Eligible projects must be of the following type (types may be reevaluated on some frequency):
 - i. Conservation of lands for the purpose of protecting aquatic resources by fee simple acquisition, conservation easements, or other conservation measures agreed to by the PRC
 - ii. Restoration or enhancement of stream channels, stream banks, riparian areas, shorelines, and wetlands
 - iii. Removal of barriers to aquatic species
 - iv. Conservation, restoration, and enhancement of habitat for threatened and endangered species (T&E) and at-risk species, with an emphasis on aquatic species
 - v. Conducting research, monitoring, enhancement of T&E and at-risk species' populations, with an emphasis on aquatic species
 - vi. Creation or construction of habitats and nesting boxes to support fish and wildlife species, with an emphasis on aquatic species
 - vii. Fertilizing and aquatic plant control in the Monticello sub-impoundment
 - viii. Conducting research and monitoring to support restoration of migratory fishes and other aquatic resources (such as conducting the fishway monitoring at Broad River diversion dam at the Columbia Canal should the FERC license be surrendered, and the Licensee is not obligated to continue this monitoring)
 - ix. Developing low-impact facilities to access waterways for fishing and boating
 - x. Studies, design/engineering plans, monitoring, etc., are eligible for funding if their purpose is to support projects described in previous bullets
 - g. Proposals with cost-sharing and/or in-kind support will be favored.
- XII. HEP Proposal Application Review and Evaluation Process
- a. The PRC will review and evaluate all HEP proposals and decide which projects to fund. All PRC decisions will be by $\frac{3}{4}$ majority vote (e.g., 4 of 5, 5 of 6, 5 of 7, 6 of 8 members, etc.).
 - b. The PRC will issue a Request for Proposal (RFP) at least 90 days prior to the close of the application period. Proposals requesting HEP funds must be submitted to SCE&G.

Commented [AWR(-83): Make sure this is consistent with the previous changes.

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- c. SCE&G will only accept HEP funding proposals from government agencies, academic institutions and tax-exempt 501(c)(3) organizations. Individuals and private companies may not apply for HEP funding proposals, but are allowed to partner with either a government agency or a tax-exempt organization to apply for funds.
- d. The PRC will develop and utilize standard criteria in their evaluation. These criteria will be consistent with this charter.
- e. The PRC will determine the total funds awarded each year and may decide to award funds in a different amount than requested by the applicant.
- f. Each complete application will be given fair and equitable consideration.

Commented [KMK4]: Discussion item for meeting – developing standard criteria for proposal evaluation

XIII. HEP Funding Award Process

- a. SCE&G will advise the fiduciary entity to release funds to applicants with approved projects.
- b. PRC may include stipulations in the approval letter to the applicant on the use of the funds, target completion date for the work, monitoring plan(s), progress reports, and reporting requirements upon completion of the project.
- c. Funds for successful proposals may be released at the PRC's discretion by one of the following methods:
 - i. Lump sum to the applicant once the proposal has been approved;
 - ii. Provide 50 percent of the total approved funding when the proposal has been approved and the remainder once work is complete;
 - iii. Reimbursed to the applicant only upon project completion;
 - iv. As otherwise agreed to between PRC and the applicant.

Commented [AWR(-85): Revise if funds held by SCE&G instead of interest bearing account.

XIV. Charter Modifications

- a. This charter can be modified as determined appropriate by the PRC. Any changes must be approved by at least 75 percent of the membership of the PRC.