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Hydroelectric developer misses federal report filing deadline

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Time is running out for a company that wants to study the feasibility of building an 800-megawatt pumped storage hydroelectric project near Moab.

The Federal Energy Regulatory Commission (FERC) is giving Utah Independent Power, Inc., another two weeks or so to submit a past-due progress report on the Long Canyon project. If the company has not responded by that time, the agency will likely cancel its preliminary project permit, according to a notice from the agency's Division of Hydropower Licensing.

Utah Independent Power, based in Sonoma, Calif., got the go-ahead to study the feasibility of its proposal in September 2012, and the FERC later denied conservationists' joint request to review the decision.

However, the agency also required the company to submit progress reports on the project every six months. The first report was due March 1, but as of press time this week, no paperwork had been filed, according to FERC spokesman Craig Cano.

Utah Independent Power President Frank Mazzone told *The Times-Independent* that he tried to contact the FERC immediately after he received the past-due notice. But as of Nov. 5, he was still waiting for the agency to respond to his questions, he said during a brief phone interview.

John Weisheit, conservation director for the Moab-based Living Rivers, sees the FERC's notice as the latest setback for the project, which has been in the works for more than five years.

The FERC approved the company's first application for a preliminary permit in October 2008. But the agency terminated that permit in May 2011 at the company's request, according to Cano.

The company subsequently filed a request for a new permit, which meant that it had to go through the application process all over again.

In Weisheit's eyes, history is repeating itself.

"Utah Independent Power failed to submit a progress report a couple years ago, and what they did to get re-started was to simply reapply," he said in an email to *The Times-Independent*.

Weisheit said it's possible that the company could repeat the process over and

over again. But the project faces broad resistance from the community, he said, so he believes it's unlikely Utah Independent Power would push forward indefinitely to test that resolve.

"I would say that this application is leaky, just like the Chinle shale of Long Canyon, and it will not stand the test of time," Weisheit said.

The preliminary permit does not allow the company to break ground on its drawing-board vision.

Instead, the permit serves as a placeholder of sorts, according to the FERC. It allows a developer to gather information and take a closer look at the practicality of its plans, while keeping its spot in the line of applicants.

In this case, Utah Independent Power is exploring the possibility of building two dams in Long Canyon southwest of Moab.

Under the company's proposal, the dams would form two reservoirs with a total storage capacity of 5,350 acre-feet, or more than 1.8 billion gallons, of Colorado River water.

Water from a lower reservoir would be pumped to an upper reservoir during evening hours, when demand for electricity is typically low. During peak hours of high-energy demand, the water would flow back down to the lower reservoir, generating power as it passed through turbines.

If the \$1.5 billion project ever moves beyond the feasibility-study phase, it faces considerable opposition – not just from conservationists, but from the U.S. Bureau of Land Management (BLM), as well.

Much of the project would be located on BLM-administered property, and the agency officially came out against the proposal on the grounds that it didn't fit the agency's Resource Management Plan for the area.

Long Canyon is a popular destination for tourists and local residents alike, and the area is home to significant cultural, scenic and wildlife resources, as well as oil and gas projects, the BLM noted.

County officials raised many of the same concerns in a May 2012 letter to the FERC. Grand County Council chairman Gene Ciarus also noted that the developer might lack any assets or the backing of a larger company that could prop it up.

If the company went under, he asked, what would become of the project, and what would happen to Grand County?

To view the FERC's filings on the project, go to: www.ferc.gov/docs-

[filing/elibrary.asp](#). Click on “Docket Search” and enter docket number P-14354.

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