

164 FERC ¶ 62,037  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

RAMM Power Group, LLC

Project No. 14869-000

ORDER ISSUING PRELIMINARY PERMIT  
AND GRANTING PRIORITY TO FILE LICENSE APPLICATION

(Issued July 19, 2018)

1. On March 1, 2018, RAMM Power Group LLC (RAMM) filed an application for a preliminary permit pursuant to section 4(f) of the Federal Power Act (FPA),<sup>1</sup> to study the feasibility of developing the Sacaton Energy Storage Project No. 14869, (Sacaton Project or project), to be located in Pinal County, Arizona.

**I. Project Proposal**

2. The proposed project would be a closed-loop pumped storage project consist of the following new facilities: (1) a 28-foot-high dam with a total crest length of 6,000 feet, creating a 1,300 acre-foot upper reservoir with a maximum surface elevation of 1,456 feet mean sea level (MSL); (2) a 200-foot-long, 12-foot-diameter steel penstock extending from the upper reservoir dam to the powerhouse; (3) an underground powerhouse with two 75-megawatt pump/turbine units; (4) a 2,200-foot-long, 14-foot-diameter low pressure draft tube extending from the powerhouse to the lower reservoir; (5) a 1,500 acre-foot lower reservoir with a maximum reservoir surface elevation of 455 feet MSL to be located within an existing pit mine (no dam needed); (6) a new 200-megavolt-ampere substation located adjacent to the upper reservoir; (7) a 2,500-foot-long, 137-kilovolt (kV) transmission line extending from the project's substation to existing 137-kV transmission lines owned by Arizona Public Service; and (8) appurtenant facilities. The estimated average annual generation of the Sacaton Project would be 400,000 megawatt-hours. There are no federal lands associated with the proposed project.

**II. Background**

3. The Commission issued public notice of RAMM's permit application on March 26, 2018. In response to the notice, comments were filed by the U.S. Department of the Interior (Interior).

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<sup>1</sup> 16 U.S.C. § 797(f) (2012).

### **III. Discussion**

4. In their comments, Interior notes that Snaketown National Historic Landmark (NHL), which was designated on April 29, 1964, is located in Pinal County and may potentially be impacted by the proposed project. Interior requests that the Commission provide more information about the proposed project boundaries and its intent to comply with the requirements of Sections 110(f) and 106 of the National Historic Preservation Act (NHPA) regarding approvals of federal undertakings that may directly and adversely affect any NHL.

5. A preliminary permit does not authorize a permittee to undertake any ground disturbance or construction of the proposed project. Nor does the permit authorize access to the property of others. The purpose of a preliminary permit is to study the feasibility of the project, including studying potential impacts.<sup>2</sup> The concerns raised by the Interior are premature at the preliminary permit stage, in that they address the potential effects of constructing and operating the proposed project. Should the permittee file a license application, these issues will be addressed in the licensing process.

### **IV. Permit Information**

6. Section 4(f) of the FPA authorizes the Commission to issue preliminary permits for the purpose of enabling prospective applicants for a hydropower license to secure the data and perform the acts required by section 9 of the FPA,<sup>3</sup> which in turn sets forth the material that must accompany an application for license. The purpose of a preliminary permit is to preserve the right of the permit holder to have the first priority in applying for a license for the project that is being studied.<sup>4</sup> Because a permit is issued only to allow

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<sup>2</sup> Section 4.81 of the Commission's regulations requires that a permit application include a description of the proposed project, the estimated interconnection, the estimated average annual energy production, a statement of the costs and financing, and other information "to the extent possible." 18 C.F.R. § 4.81 (2017). During the permit term, the permittee will investigate the technical and economic feasibility of the proposed project. More specific information on project design and a more detailed description of the proposed project, including project economics, possible interconnections, and electric generation will be provided during the preparation of any development application.

<sup>3</sup> 16 U.S.C. § 802 (2012).

<sup>4</sup> See, e.g., *Mt. Hope Waterpower Project LLP*, 116 FERC ¶ 61,232, at P 4 (2006) ("The purpose of a preliminary permit is to encourage hydroelectric development by affording its holder priority of application (i.e., guaranteed first-to-file status) with respect to the filing of development applications for the affected site.").

the permit holder to investigate the feasibility of a project while the permittee conducts investigations and secures necessary data to determine the feasibility of the proposed project and to prepare a license application, it grants no land-disturbing or other property rights.<sup>5</sup>

7. Article 4 of this permit requires the permittee to submit a progress report no later than the last day of each six-month period from the effective date of this permit. The late filing of a report or the supplementation of an earlier report in response to a notice of probable cancellation will not necessarily excuse the failure to comply with the requirements of this article.

8. During the course of the permit, the Commission expects that the permittee will carry out pre-filing consultation and study development leading to the possible development of a license application. The pre-filing process begins with preparation of a Notice of Intent (NOI) and Pre-Application Document (PAD) pursuant to sections 5.5 and 5.6 of the Commission's regulations.<sup>6</sup> The permittee must use the Integrated Licensing Process unless the Commission grants a request to use an alternative process (Alternative or Traditional Licensing Process). Such a request must accompany the NOI and PAD and set forth specific information justifying the request.<sup>7</sup> Should the permittee file a development application, notice of the application will be published, and interested persons and agencies will have an opportunity to intervene and to present their views concerning the project and the effects of its construction and operation.

9. A preliminary permit is not transferable. The named permittee is the only party entitled to the priority of the application for license afforded by this preliminary permit. In order to invoke permit-based priority in any subsequent licensing competition, the named permittee must file an application for license as the sole applicant, thereby evidencing its intent to be the sole licensee and to hold all proprietary rights necessary to construct, operate, and maintain the proposed project. Should any other parties intend to hold, during the term of any license issued, any of these proprietary rights necessary for

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<sup>5</sup> Issuance of this preliminary permit is thus not a major federal action significantly affecting the quality of the human environment. A permit holder can only enter lands it does not own with the permission of the landholder, and is required to obtain whatever environmental permits federal, state, and local authorities may require before conducting any studies. *See, e.g., Three Mile Falls Hydro, LLC*, 102 FERC ¶ 61,301, at PP 6–7 (2003); *see also Town of Summersville, W.Va. v. FERC*, 780 F.2d 1034 (D.C. Cir. 1986) (discussing the nature of preliminary permits).

<sup>6</sup> 18 C.F.R. §§ 5.5 and 5.6 (2017).

<sup>7</sup> *See* 18 C.F.R. § 5.3 (2017).

project purposes, they must be included as joint applicants in any application for license filed. In such an instance, where parties other than the permittee are added as joint applicants for license, the joint application will not be eligible for any permit-based priority.<sup>8</sup>

The Director orders:

(A) A preliminary permit is issued for the Sacaton Energy Storage Project No. 14869 to RAMM Power Group, LLC, for a period effective the first day of the month in which this permit is issued, and ending either 36 months from the effective date or on the date that a development application submitted by the permittee has been accepted for filing, whichever occurs first.

(B) This preliminary permit is subject to the terms and conditions of Part I of the Federal Power Act and related regulations. The permit is also subject to Articles 1 through 4, set forth in the attached standard form P-1.

(C) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days of the date of its issuance, as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 8251 (2012), and section 385.713 of the Commission's regulations, 18 C.F.R. § 385.713 (2017).

Timothy Konnert, Chief  
West Branch  
Division of Hydropower Licensing

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<sup>8</sup> See *City of Fayetteville Public Works Commission, et al.*, 16 FERC ¶ 61,209 (1981).

**Form P-1 (Revised April 2011)****FEDERAL ENERGY REGULATORY COMMISSION****TERMS AND CONDITIONS OF  
PRELIMINARY PERMIT**

**Article 1.** The purpose of the permit is to maintain priority of application for a license during the term of the permit while the permittee conducts investigations and secures data necessary to determine the feasibility of the proposed project and, if the project is found to be feasible, prepares an acceptable application for license. In the course of whatever field studies the permittee undertakes, the permittee shall at all times exercise appropriate measures to prevent irreparable damage to the environment of the proposed project. This permit does not authorize the permittee to conduct any ground-disturbing activities or grant a right of entry onto any lands. The permittee must obtain any necessary authorizations and comply with any applicable laws and regulations to conduct any field studies.

**Article 2.** The permit is not transferable and may, after notice and opportunity for hearing, be canceled by order of the Commission upon failure of the permittee to prosecute diligently the activities for which a permit is issued, or for any other good cause shown.

**Article 3.** The priority granted under the permit shall be lost if the permit is canceled pursuant to Article 2 of this permit, or if the permittee fails, on or before the expiration date of the permit, to file with the Commission an application for license for the proposed project in conformity with the Commission's rules and regulations then in effect.

**Article 4.** No later than the last day of each six-month period from the effective date of this permit, the permittee shall file a progress report. Each progress report must describe, for that reporting period, the nature and timing of what the permittee has done under the pre-filing requirements of 18 C.F.R. sections 4.38 and 5.1-5.31 and other applicable regulations; and, where studies require access to and use of land not owned by the permittee, the status of the permittee's efforts to obtain permission to access and use the land. Progress reports may be filed electronically via the Internet, and the Commission strongly encourages e-filing. Instructions for e-filing are on the Commission's website at <http://www.ferc.gov/docs-filing/efiling.asp>. To paper-file instead, mail four copies of the progress report to the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

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