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FEDERAL ENERGY REGULATORY COMMISSION
PUBLIC SCOPING MEETING FOR
SUSITNA-WATANA HYDROELECTRIC PROJECT

Held at:
Loussac Library
3600 Denali Street
Anchorage, Alaska

March 27, 2012

9:05 a.m.

1 DAVE TURNER: Well, my name's David
2 Turner. I'm with the Federal Energy Regulatory
3 Commission. I'm the team leader for the
4 Susitna-Watana Project. I'd like to welcome you
5 to this morning's session for the scoping meeting
6 for the Watana Project. You know a lot of the
7 faces, and you guys probably know mine but
8 there's some new team members here that I'd like
9 to give a chance to introduce themselves.

10 JENNIFER HILL: I'm Jennifer Hill, chief
11 of the northwest branch for hydropower licensing
12 at FERC.

13 FRANK WINCHELL: Frank Winchell, also with
14 FERC hydropower licensing and cultural resources
15 review for this proposed project.

16 KATHLEEN CLARKSON: I'm Katie Clarkson.
17 I'm a civil engineer with the division of dam
18 safeties inspection out of the Portland regional
19 office.

20 JESSE FERNANDES: My name's Jesse
21 Fernandes and I'm the outdoor recreation planner
22 for northwest branch.

23 MATT CUTLIP: I'm Matt Cutlip. I'm a fish
24 biologist for the northwest branch in Portland,
25 Oregon.

1 LISA McDONALD: I'm Lisa McDonald and I'm
2 with the Louis-Berger Group. And we're trying to
3 support the social economic resources for the
4 project.

5 KIM NGUYEN: Kim Nguyen, I'm a civil
6 engineer and I'm also in the northwest licensing
7 branch.

8 DAVE TURNER: All right. This wasn't the
9 ideal location that I had in mind for this
10 particular meeting because I wanted to make this
11 as interactive as possible. So I was hoping
12 maybe everybody might come down to the front.
13 But you have to kind of bear with us in terms of
14 the way that we're set up here. I do want
15 interaction. I want to have some conversations
16 about the issues that we've defined so far. And
17 if there's questions or -- so feel free to talk
18 about that. And this isn't the greatest venue as
19 I said, so please come on down or be prepared to
20 come down if you want to talk because we have to
21 record all this.

22 But anyway, to keep this -- I'm sure
23 most of you have heard of this 100 times in terms
24 of what the IOP process is about and what this
25 project is about. And so we've got a brief

1 presentation for those that may be new to the
2 project. And we'll go through that very quickly.

3 I'll talk a little bit about the
4 process, little bit about scoping and the
5 purposes then I'll turn the floor over to Wayne
6 for a brief description of the project again.
7 And then we'll get into the discussion of the
8 issues.

9 And what we're going to do is just
10 introduce the issues. I don't intend to read
11 them to you. There's a very exhaustive list in
12 the scoping document, and if you didn't get the
13 scoping document we have copies back up here at
14 the table and we can go through those. But,
15 again, the intent here is not to regurgitate what
16 we've said but to get your feedback on what we've
17 missed, what we need to add. So please come
18 forth and let us know what we need if we've
19 missed anything.

20 Then finally we'll wrap up a little
21 bit with some more review of the important dates
22 that are coming up and some of the things we need
23 to be looking for.

24 Again, we asked everybody --
25 hopefully everybody signed in up there at the

1 front and indicated whether or not you intended
2 to speak. Doesn't really matter for this meeting
3 but we will be collecting those signatures and
4 give them to the court reporter so she has your
5 name and when you speak she gets the proper
6 spelling. But this is being recorded for the
7 Commission's record. And we need to give your
8 name and affiliation before you speak so we can
9 attribute your comments and concerns to you.

10 Written comments -- if you don't want
11 to give oral comments today or if you think of
12 something else you want to add after today's
13 meeting or if you just want to file some written
14 comments you need to do so by April 27th. We do
15 have an extension-of-time request that has been
16 filed by several federal agencies and a follow-up
17 letter that was filed yesterday from AEA
18 supporting that extension of time to May 31st.
19 So if we grant that extension, we likely will,
20 the dates that we've presented in here will
21 shift. And we'll put out a new process plan and
22 a scoping document too that will lay out the new
23 dates that you need to get.

24 There's a mailing list at the back of
25 the scoping document. If you're not on that list

1 and you want to be on the Commission's mailing
2 list there's some directions on the back of the
3 scoping document to do so. So check in there and
4 let us know if you want to be added.

5 I would also encourage you, if you
6 haven't done so already, to eSubscribe to this
7 project through out eLibrary. And there's
8 directions in the scoping document as well as the
9 handout for the public to get involved, that
10 gives you a description how to do so. Give you
11 instantaneous review or access to any filings
12 with the Commission or issues. There'll be a
13 almost-the-same-day notice when it gets posted to
14 the eLibrary.

15 You can also eFile your documents and
16 your comments through that system. And it
17 basically is very quick in terms of getting your
18 requests and your letters in to the Commission
19 and gives you a couple extra days in terms of
20 time frame. And it reduces your costs to mail it
21 too.

22 Very quickly, for those that are not
23 familiar with the integrated licensing process,
24 it starts off with a notice of intent and
25 pre-application document which they filed last

1 December. We're now in the scoping phase or the
2 second block. Once we have the issues fully
3 defined we'll begin crafting the study plans
4 around those issues to address those studies,
5 defining studies to address those issues. At the
6 end of that the Commission will issue a study
7 determination that says these are the studies
8 that the Alaska Energy Authority must do to
9 address the environmental issues that the
10 Commission sees in the analysis that we need to
11 do our job to prepare a draft environmental
12 impact statement. AEA will then go out and do
13 those studies and prepare their application. If
14 all goes according to AEA's schedule, we're
15 looking at somewhere around 2015, latter part of
16 2015 for filing of the application. We'll review
17 that application for adequacy. And once we've
18 determined that it is complete and consistent
19 with the regulation and all the studies in
20 relation to the needs that we need to do to
21 prepare the EIS, we'll issue a
22 ready-for-environmental analysis, that's the REA
23 notice. That will be your opportunity to then
24 file comments, terms and conditions,
25 interventions in the proceeding. And we'll take

1 that information and prepare to draft and file an
2 EIS. And then ultimately we'll issue our
3 licensing decision.

4 This is in a little more detail on
5 those steps and some of the important dates that
6 are up and coming. Again, AEA filed their notice
7 of intent in December -- end of December last
8 year. We're holding our scoping meetings now,
9 March 27th through the 30th. Comments, study
10 requests and terms and conditions are due April
11 27th unless we extend that to May 31st. Under
12 the current schedule the applicant will file the
13 proposed study plan in June, mid-June. During
14 the next 90 days we'll work through with all the
15 participants to try to finalize those study plans
16 and come up with a -- AEA will then file a
17 revised study plan in October of 2012. Again,
18 these dates will probably shift if we grant the
19 extension of time.

20 The boxes highlighted in yellow are
21 four then mandatory conditioning agencies. If we
22 were not to include a study that those agencies
23 were to need -- believe they need to do their job
24 they could seek a review by an independent panel
25 for those specific studies. Not going to delve

1 into that unless somebody has some detailed
2 questions on that. But ultimately the
3 Commission's study determination is issued in
4 November and will be the approved study program
5 unless there's something about mandatory
6 condition that we need to revisit.

7 AEA will go implement those studies
8 in 2013 and 2014 according to those plans and
9 there will be a check-up during those periods to
10 review the results and make sure we don't need
11 any modifications to the study plan to address
12 any issues and concerns that arise. Then AEA
13 will prepare their preliminary licensing proposal
14 or draft license application and ultimately their
15 license application. And, again, according to
16 their schedule, we'll be looking at 2015 for
17 that.

18 Scoping -- as you know, the
19 Commission issues or has the authority to issue
20 licenses for the hydroelectric project and we
21 have to disclose the environmental effects of
22 that project through environmental review. We've
23 decided this one will require a draft
24 environmental impact statement and ultimately a
25 final one. Today's purpose of this meeting is to

1 talk about the issues we need to be looking at in
2 that EIS. And we'll begin some discussions
3 around the study plan. We're not here to debate
4 the study plan per se but the information and the
5 detail -- but the information that we're going to
6 need to address that, whether we're missing some
7 of that information. The 90-day period for kind
8 of ironing out the details of the study plan will
9 come next.

10 Sort of the types of information
11 we're looking for which is spelled out in the
12 scoping document are again -- what's the
13 geographic scope of the analysis that's needed to
14 address your issues? Is there any data out there
15 in the existing environment or the project
16 affects other development activities going on
17 that may influence some of the issues that we
18 need to be looking at? Are there local
19 resource -- State and federal resource plans that
20 we should be considering in terms of how this
21 project may be interacting with those management
22 plans? Is (sic) there any issues out there that
23 we've missed or that we need to -- that we've
24 included that are nonissues basically? We're
25 looking for that too. And then finally, just as

1 a reminder part of this effort is for your -- for
2 you to tell us what studies you need to do to --
3 or that you believe AEA needs to conduct to
4 prepare its application and hopefully fulfill
5 your jobs and ours.

6 When we developed the integrated
7 licensing process we -- when I say we, it was a
8 collaborative effort with a number of State and
9 federal agencies, and tribes and others. We
10 crafted seven set of criteria that are intended
11 to help characterize the information needs that
12 you're going to be asking for. It's to make sure
13 that we understand and the applicant understands
14 what you're looking for and why and what kind of
15 effort needs to go into gathering that
16 information. And there's seven criteria that you
17 need to address. These are included in the back
18 of the scoping document. I think it's Appendix A
19 just as a reminder.

20 Again, study requests and information
21 are due by April 27th unless we extended it to
22 May 31st. When you file those you need to make
23 sure you include the project number, which is
24 14241, on the front page of your filing. You can
25 file it electronically via the Internet through

1 eLibrary, not to me personally but through
2 eLibrary to the secretary, to Kim Bose. Or you
3 can mail it in hard copy.

4 And with that I'm going to let Wayne
5 go fer the project description.

6 WAYNE DYOK: Thank you, David, and good
7 morning everyone. I hope this isn't too
8 redundant for you, those that were here last
9 night and those that were here before. My name
10 is Wayne Dyok, D-Y-O-K. I'm with the Alaska
11 Energy Authority. I'm the project manager for
12 the Susitna-Watana Project. So I'll give a
13 little overview on the project, describe it and
14 then talk a little bit about its operation.

15 First, the project's 184 miles
16 upstream of the mouth of the Susitna River. It's
17 above the Devil's Canyon rapids and the rapids
18 themselves precluded all the anadromous fish
19 except for the king salmon to make it upstream.
20 But as we'll talk about a little bit later this
21 morning, you know, that's important for us to
22 really evaluate and we're proposing to do
23 significant studies upstream of Devil's Canyon
24 looking at the anadromous fish.

25 The dam itself that's in the PAD we

1 presented a design -- conceptual design for a
2 700-foot-high dam. We'll be really focusing on a
3 dam height that's somewhere between 700 and
4 800 feet with an ultimate development of a dam
5 that could be as high as 885 feet. The reservoir
6 will be about 39 miles long, 700 foot high and
7 two miles wide at its widest point.

8 We're looking at putting in a
9 600-megawatt installed capacity. The PAD showed
10 three 200-megawatt units but could easily be four
11 150-megawatt units. Could even be smaller but
12 we're really focusing on the 150- to 200-megawatt
13 unit sizes.

14 We'll produce around 2.5 million
15 megawatt hours of energy annually. Keep in mind
16 that in -- I guess last year we consumed around
17 5.4 million megawatt hours, almost half of the
18 electrical energy needs of the railbelt.

19 One of the important aspects of the
20 project is to make sure we have energy available
21 in the wintertime when we need it. We've really
22 been focusing on a reliability of 98 percent. So
23 98 percent of the year we'd be able to provide
24 the minimum amount of energy which in this case
25 would be 250 megawatts of continuous energy. Now

1 we may have some level of load following, you
2 know, we're going to be doing studies to look at
3 that and we'll talk a little bit about load
4 following in a minute. If we relax the
5 reliability criteria to say 90 percent we'd get a
6 lot more average annual energy out of the system
7 during that winter period.

8 We're going to zoom in on the project
9 site here. Maybe I'll just mention the 39-mile
10 long reservoir. You go down to about this point
11 here at 700 feet. If we go to 800 feet it'd
12 probably be up here around this point here, just
13 downstream of the Oshetna River crossing.

14 We're looking at three access
15 corridors. The top one we call the Denali
16 corridor. It goes along the Denali Highway and
17 then cuts south straight to the project. That
18 route's about 44 miles long. The second route,
19 east/west route comes from the Alaska Railroad
20 and proceeds to the east of the project site.
21 This is what we're calling the Chulitna access
22 corridor. And that is 45 miles long. The
23 southern one, which also comes from the railroad
24 proceeds, you know, east as well and links up
25 with the project site. It'll be around 50 miles

1 in length. It has a couple of challenges. There
2 are some very significant stream crossings along
3 that corridor. So one of the three will be our
4 access road. And we'll co-locate a transmission
5 line there as well. And we'll probably need
6 another transmission line along one of the other
7 corridors.

8 Okay. Getting in a little bit more
9 on the project site, see the dam here. This
10 outlines the 2,200-foot contour and that's the
11 area that we're going to extensively study, you
12 know, within -- because that's the ultimate
13 buildup to be 2,185 down. We're going to make
14 sure our studies encompass a big enough area.

15 You see an airstrip. There'll be an
16 airstrip. Temporary camp here that will house up
17 to a thousand people. We'll have a thousand
18 people at peak -- during the construction period
19 with an average of around 800. And then that
20 will be dismantled after the project's completed.
21 And we'll have a permanent camp here that would
22 accommodate around 20 to 30 people which are the
23 number of folks that we feel the need to, you
24 know, staff the project once it's completed. You
25 also see some quarry areas. Obviously we want to

1 have these as close to the dam as possible.

2 So this is a picture of the
3 conceptual site plan. There's a lot more work
4 that needs to be done here. But in building the
5 project we need to follow a sequence. These gray
6 lines are the road system. We have to have
7 access to the site. Then once you get access to
8 the site first thing we need to do is construct
9 the diversion tunnel. Once that's completed then
10 you can divert water around the project site and
11 you can start your diversion dam. This is the
12 upstream one and this the downstream one. Once
13 you get those completed you can start with the
14 dam itself right here. Now we may be able to
15 start the sides because that could be done
16 without having to divert the water, but you can't
17 start this area here until after you have the
18 diversion completed.

19 This configuration here shows a
20 roller-compacted, you know, concrete dam. That's
21 most likely the dam type we're going to use. But
22 we're also looking at a concrete face, you know,
23 rock filled dam which is like the Bradley Lake
24 Project on the Kenai Peninsula. And that's a
25 126-megawatt project. Back in the 1980s when

1 this project was studied more extensively they
2 were used -- looking at a rock-filled earth-core
3 dam. But it's most likely that we're going to do
4 the RCC dam.

5 And right now our consultant is
6 looking at taking the dam straight across here,
7 putting the curvature to -- comes out -- may not
8 be exactly but it'll be a curvature this way.
9 And we'll be able to take some load on abutments;
10 that way we can save maybe 20 percent of the
11 concrete so reduce the concrete volume from
12 around 5.1 million cubic yards to 4.1 or
13 4.2 million cubic yards.

14 So we're also looking at, as I
15 mentioned earlier, the height of the dam. The
16 power-house is a little bit further downstream.
17 And that is to allow us to expand the dam at some
18 point down the road without affecting operation.
19 We'd just add concrete to the back side of the
20 dam to get whatever height that you ultimately
21 wanted to construct this project to.

22 So just a little bit of background in
23 terms of how we would operate this project. As I
24 mentioned one of the real goals is to get as much
25 of the energy into the wintertime as possible.

1 So the goal is to store the water during the
2 springtime when the snow melt begins and capture
3 as much of that, you know, runoff as possible,
4 then capture the glacier runoff a little bit
5 later in the season and also capture rainfall so
6 that by the end of the summer you want to have
7 the reservoir full and then you will pull it down
8 gradually during the wintertime to its lowest
9 point around the end of April and then you'll
10 fill it again. We're looking at a drawdown -- in
11 the PAD we talked about 150 feet, but we're also
12 considering drawdowns could be as much as 200
13 feet as well.

14 This particular figure shows a
15 typical winter day 15 years out. Not quite 15
16 but about 13 years out into the future,
17 January 2025. It's not your peak day, it's a
18 typical winter day, what we're anticipating the
19 lows to look like. At the bottom here is the
20 hours of the day from 1:00 a.m. to midnight. And
21 on this axis the megawatt demand that you have so
22 for each hour this will be the number of megawatt
23 hours that the system would need. So typically
24 you're going to start off with, in this case, 600
25 megawatt hours at night, drop down. Everybody

1 wakes up, they start turning lights and
2 appliances on. You have a morning peak and then
3 we're off to work during the day. Still stays
4 pretty high. Falls off a little bit. People
5 leave, go home and then start turning on lights
6 when you get home and appliances and then starts
7 to fall off at the evening. So that's what it
8 looks like.

9 Now this is an idealized figure here.
10 This dashed line represents all the other, you
11 know, generation. And we're saying, okay, we
12 want to -- in this particular case we want to
13 look at a low-following pipe operation. This
14 would be gas-fired turbines and new wind
15 generation that would come online, clean coal
16 projects, other renewables that, you know, may be
17 in the system. Typically you would have some
18 flexibility; but we're saying, okay, in a
19 worst-case situation, you know, that it all comes
20 out to this; and we need to use the hydropower
21 project to fill in the rest of this curve here.
22 So if we did that in this particular case this
23 would be the minimum amount of generation from
24 just a little over 400 to a little under 600. So
25 on the order of a couple hundred, you know,

1 megawatts and maybe on this day would go from 200
2 to 400. Just so you can get -- kind of get a
3 perspective on this 200 megawatts is a little
4 less than 5,000 CFS. 400 megawatts would be
5 close to 10,000, you know, CFS. So you'd be
6 essentially on this particular day doubling the
7 flow but we have the ability to go up to
8 14,500 cubic feet per second flow.

9 And you want that kind of
10 flexibility. When we met with the railbelt
11 utility managers and the technical folks one of
12 the things that's really important to them is to
13 maintain as much flexibility in the operation as
14 possible. So that's why we want to study full
15 load following to go from a minimum flow,
16 whatever we need for the acquired resources or
17 recreation depending upon the time of the year up
18 to the maximum. So we're going to be, you know,
19 studying that.

20 So in this particular case we would
21 go from a flow of something like 5,000 to 10,000
22 but we might have a range that goes from 3,000 to
23 14,500 CFS too. So looking at that to try and
24 give you a little bit of perspective of what that
25 would look like in the river between Devil's

1 Canyon and Talkeetna which is the reach that's
2 going to be the most affected, at the Gold Creek
3 gauging station that change from 3,000 to
4 14,000 cubic feet per second would be 2.8 feet.
5 And that's during non-ice conditions. And that's
6 sort of our worst case. And that's the most
7 sensitive.

8 The reason that USGS picked that
9 point for gauging is because the flow is most
10 confined there. So either upstream towards
11 Devil's Canyon or downstream you're going to have
12 less fluctuation than the 2.8 feet. But that's
13 the extreme. I want to make it clear that that
14 is during a non-ice condition. Last night we had
15 some folks that asked us, well, what about during
16 the ice conditions how is the river going to
17 behave? And that's something that we are
18 studying intensively as we're going forward. We
19 already have our contractor out looking at the
20 ice conditions now and during the melt and will
21 be out there again during the fall and will be
22 doing some modeling of that. So we'll have a
23 better handle on how the ice situation, you know,
24 might change.

25 On other river systems that have, you

1 know, load following I'll suggest, you know, the
2 Peace River. It's a much larger river system.
3 They -- what they do in the wintertime to get the
4 ice in is they operate at a higher level, get the
5 ice cover stable and then they operate underneath
6 that. I'm not saying that's how we would operate
7 here but we want to take advantage of what we
8 know in other systems as we go forward.

9 Now one of the other important
10 elements here is the minimal flows that we will
11 be providing during the summertime. And the
12 place that we started to do our -- using as for
13 our evaluations was what we had actually
14 submitted in a 19- -- I guess originally a 1983
15 application and supplemented that in 1985. In
16 that 1985 license application to the Federal
17 Energy Regulatory Commission we had suggested
18 based on the aquatic resources studies and the
19 recreation needs a flow of 9,000 cubic feet per
20 second at Gold Creek. And so that's the --
21 that's the basis for the energy studies that we
22 did. Now we're going to be conducting some
23 pretty extensive studies looking at fish habitat
24 again and that number may need to be adjusted.
25 And we need to look at what those flow

1 requirements are going to be. But that we felt
2 was a good start point.

3 So if you look at a 9,000 CFS flow
4 and you take off the intermediate, you know,
5 drainage or flow that comes in between Watana and
6 Gold Creek and say the 9,000 CFSs at Gold Creek
7 then you're looking at translating the worst-case
8 scenario in terms of water level change in the
9 summertime might be on the order of two feet at
10 Gold Creek and obviously lesser at other places.
11 Now that's a key point and we need to look at the
12 potential effect in that. So there may be some
13 constraints on not only minimal flow but there
14 may be constraints on load following. But in the
15 summertime you'll probably be looking at a
16 maximum of a two foot water level difference at
17 Gold Creek and less downstream between Gold Creek
18 and the confluence of the Chulitna, Susitna and
19 Talkeetna Rivers. And then certainly beyond that
20 the flows would -- typically the water level
21 change would be less than that.

22 So I think with that I'll turn things
23 back over to David and be looking forward to your
24 comments as we go through the scoping process.
25 And maybe I should move to the back of the room

1 so everybody else can move to the front so we can
2 hear one another. Anyways, thank you for your
3 time. I look forward to a productive day with
4 you.

5 DAVE TURNER: Thanks, Wayne.

6 All right. That brings us to the
7 resource issues and talking about what we could
8 do that isn't described in that point. That list
9 is not intended to be final or exhaustive. There
10 may have been some things that we should've
11 included. We tried to summarize those in group
12 things I think to make -- make it manageable but
13 not inclusive. So if we've done so, let us know
14 what we've done, what we've missed, where you
15 have questions. And, again, we want to make this
16 interactive.

17 We're going to start off, again,
18 looking at each resource section. And if you
19 have a question or a comment, come forward.
20 Remember to state your name. We've got some
21 microphones here. I really think it would help
22 if everybody came down so we could pass those
23 around without having to come up to the podium
24 and give your comment. But if you continue to
25 sit, we'll just bring the microphone to you.

1 I'll start off with geologic and
2 soils. We're obviously going to be looking at
3 all the effects of land-disturbing activities
4 on -- associated with construction of the project
5 facilities and transitioning orders and access
6 roads, those effects of sedimentation on aquatic
7 resources. Construction and operation,
8 deposition of sediments in the reservoir and the
9 life of the reservoir as well as the effects of
10 changes and fluctuations associated with project
11 operations on shoreline stability, you know, the
12 reservoir and downstream. As well as the effects
13 of, you know, seismic action in terms of
14 construction.

15 Is there anything that we've missed?
16 Is there something you want to add to the -- we
17 should be considering?

18 RICHARD BRAUN: I'll be first here. I'm
19 not an engineer. I'm not any of that. I'm not a
20 weather guru. I'm just me.

21 DAVE TURNER: Could you state your name?

22 RICHARD BRAUN: Richard Braun. I'm on the
23 list back there.

24 I just wanted to make a general
25 statement as a person who lives here and has

1 lived here for quite a while and intends to live
2 here for quite a while. I'm all for this project
3 and I encourage you, I beg you, look for reasons
4 to do it. Don't look for reasons not to do it
5 because maybe -- maybe something slightly maybe
6 might happen. Look for reasons to try it out.
7 Because there are a lot of dams in the world. I
8 think we know how they work, what happens, you
9 know, the silting, the fish and all the rest of
10 the things that you're going to hear about. And,
11 yeah, there's problems with that but I think
12 overall the benefit to the people and the benefit
13 for the state overrides a lot of that. And I
14 encourage you to look for reasons to let the
15 project go forward. Make it happen the best way
16 it can, but make it happen because we need it.

17 DAVE TURNER: Thank you for your comment.

18 RICHARD BRAUN: Thank you.

19 DAVE TURNER: Appreciate the thoughts on,
20 you know, why you think things going forward.
21 But what we're really looking for here is what do
22 we need to look at, what are your concerns with
23 the issues, where's our information gaps, what do
24 we need to do to address those effects and make
25 those decisions that he was just talking about in

1 a sound manner? So is there anything on geology
2 and soils that we need to be considering. Or
3 have we accurately captured what you believe we
4 need to?

5 I'll take silence as golden, as yes.
6 So let's move on to water resources. And I'll
7 let Matt cover those.

8 MATT CUTLIP: I don't intend to go through
9 bullet by bullet but give general underwater
10 resources for considering the physical changes to
11 water chemistry, flow regime. We'll also be
12 looking at the modification to -- on a year-round
13 basis modification to flow regime but also on a
14 daily basis peaking operations, rapid rates, that
15 sort of thing captured there. And then the
16 corresponding effects on the quality --
17 environment -- biological resources we addressed
18 on aquatic resources. So this is more just --
19 this is habitat.

20 So with that said, are there any
21 comments and concerns about any water resources?

22 DAVE TURNER: Come on, guys.

23 CARA STAAB: Hi, my name's Cara Staab, and
24 I'm with the Bureau of Land Management.

25 I'm not exactly sure which of these

1 categories this fits in but since nobody else is
2 speaking I'll just come up here. I'm just
3 wanting to make sure that the consideration will
4 be given to requirements of the levels we see the
5 rivers at. Okay. I haven't seen anything on it
6 so I wasn't sure. Thank you.

7 DAVE TURNER: Actually, we do -- we got
8 that under recreation actually.

9 CARA STAAB: That's probably a good place
10 for it.

11 MATT CUTLIP: Anymore comments on water
12 resources before we move to aquatics?

13 Okay moving on.

14 Next section is fairly large. We
15 discuss potential effects of the project on
16 aquatic resources. This includes the reservoir,
17 transition of river running rapid to a reservoir
18 environment at the -- up to the dam site. And
19 also the potential effects of the project on the
20 aquatic habitat and the fish community of the
21 middle and lower reaches -- what we're calling
22 the middle and lower reaches of the Susitna
23 River. This includes both anadromous fish and
24 resident fish. It's a pretty extensive list so I
25 think everybody has access to it, I'd prefer not

1 to read through it but we will take comments at
2 this time.

3 NELLIE WILLIAMS: Hi, my name is Nellie
4 Williams and I'm with Trout Unlimited. I work
5 here in Alaska, in Anchorage and represent about
6 800 members many of who fish the Susitna. In
7 general I'm glad you guys are taking a look at
8 all the things you're taking a look at. I just
9 want to make sure there's special emphasis placed
10 on obviously the salmon and the trout resources
11 and habitat. Not only above stream of the dam
12 but below stream of the dam.

13 We're going to be submitting formal
14 comments during your comment period that address
15 some of the specifics but I just wanted to let
16 you know that we are watching this. Trout
17 Unlimited has been really involved in a lot of
18 Lower 48 rivers and dam projects, both putting
19 them in and taking them out when they need to be
20 taken out for the fish's sake. So I just want to
21 let you know that we'll be submitting more formal
22 comments based specifically on the salmon and
23 trout resources. Thanks.

24 DAVE TURNER: Is there anything specific
25 you want to share with us now? Did we capture

1 things close?

2 NELLIE WILLIAMS: Not specific but I
3 definitely think in our written comments -- we
4 actually haven't had a chance to dig in too much
5 on it.

6 DAVE TURNER: Okay. Fair enough.

7 NELLIE WILLIAMS: Thank you.

8 MATT CUTLIP: Any other comments on
9 aquatic resources?

10 DAVE TURNER: Well, I guess I'll pick up
11 with terrestrial stuff.

12 Again, I don't intend to read the
13 lengthy bullets. I think they can be grouped
14 pretty broadly as, you know, effects on habitat
15 loss and alteration from project construction.
16 And included in operation, I mean, physical
17 facilities that would inundate the reservoir as
18 well as the roads. Those will have effects on
19 animal movements. We intend to look at to what
20 extent, and which ones and to what degree. I'm
21 sure the increased human access and presence
22 associated with construction activities will also
23 have an effect in terms of increased
24 disturbances. And we'll get a look at that in
25 terms of the levels and some of the measures we

1 might be able to do to minimize some of those
2 actions and those effects. We'll be looking at
3 effects of construction and operational
4 activities and the spread of noxious weeds and
5 those adverse effects that might have on
6 vegetation communities and habitat values and
7 what we can do to minimize those.

8 And we're going to be looking at
9 project construction effects on some very special
10 habitats like wetlands and wetland functions and
11 rare plants. Again, that's a very broad group
12 and there's a number of wildlife species that
13 have been identified. And very specific focus on
14 big game that are important for subsistence as
15 well as recreational values.

16 So is there anything that we've
17 missed, want to add? I've never gotten a scoping
18 document right on spot. So -- but we're welcome
19 to that thought.

20 All right. Take silence as golden
21 again.

22 Move on to threatened and endangered
23 species. We know of one that's listed here, the
24 beluga whale. We are going to be looking at how
25 the project operation effects might be affecting

1 the beluga whale including its food supplies and
2 habitat down in the Lower Susitna.

3 Anything anybody wants to add?

4 I don't expect to get any written
5 comments either, guys.

6 Let's go to recreation.

7 JESSE FERNANDES: Scoping document pages
8 15 and 16 list several recreation and land use
9 resource issues we expect to evaluate. And they
10 include the effects of altered hydrology and
11 river access and navigation. Opportunities for
12 fishing, whitewater boating, hunting, trapping
13 and nonconsumptive uses such as bird watching and
14 hiking. Other issues include the effects of
15 project construction and operation on recreation
16 in general. The effects of changes in land use
17 and ownership on public access and recreation.
18 The effects of project construction on the
19 eligibility of Brushkana Creek and the Susitna
20 River for possible future designation as a wild
21 and scenic river. Project consistency with
22 applicable land use and management plans.

23 Does anybody have any comments on
24 recreation issues in the scoping document?

25 MARK BUTLER: Can we give general comments

1 in here that go along with that or should we
2 wait?

3 DAVE TURNER: No, feel free. Come on up.
4 Feels like a one-man show up here.

5 MARK BUTLER: I would like to approach and
6 give some documents here. Thank you.

7 DAVE TURNER: State your name and
8 affiliation?

9 MARK BUTLER: Yes, I certainly will. My
10 name's Mark Butler and I own land in this area.
11 So may I ask how many people own land within
12 50 miles of this project in the room? Okay, it's
13 just me. I know there was some people here last
14 night as well. I own 6.71 acres, I homesteaded
15 in 1981 I believe it was. I'm on the Railroad at
16 Canton which is between the north and
17 southwesterly routes that are proposed on the map
18 as possible routes to and from this project.

19 So the pictures you see here, if
20 someone could look at those, that'd be great.
21 First one is recreation, it's the railroad.
22 That's the Susitna River. That's Alaska railroad
23 running next to it. And that's Denali or what
24 people from Ohio -- I'm from Ohio -- would call
25 McKinley. But it's really named Denali.

1 Next picture is one that tourists
2 take and I took from the train. That's Denali.

3 Next one is the Upper Susitna Valley.
4 The upper Susitna Valley has no roads in it.
5 This would be the first road.

6 The next one shows Kesugi Ridge.
7 Kesugi Ridge is the northern ridge in Denali
8 State Park and it's between the north/south
9 highway, the Parks Highway we call it, and the
10 Susitna River. And that's a flat -- that's a
11 flat-top mountain called Indian Mountain.

12 Next one is a view from my cabin.
13 Okay. That's a view of Kesugi Ridge, state
14 recreation. Relaxation. It doesn't look like
15 that every day and it doesn't look like that now
16 of course, there's about six feet of snow there.

17 Next one is my cabin, picture of it
18 right there. Okay.

19 Next one is my thermostat that a bear
20 has since eaten. It says happiness is a 100
21 degrees below in Alaska. I think most of us
22 would question that, but so forth.

23 So this project is not being built in
24 a vacuum. There are people that live in this
25 area, recreate in this area and use this area.

1 I'd like to make sure that this project as it is
2 going on, I have no doubt that it will continue
3 on, we'll get some type of FERC permit. And as
4 it moves all the way towards requesting funding
5 of potentially billions of dollars of State money
6 that people realize that are there people in this
7 area and that we build the absolute best project
8 we can that impacts the fewest people negatively
9 and has the most positive gain from that. So how
10 do you do that?

11 In my mind you have an incredible
12 public involvement process. And so far that
13 hasn't happened. We haven't had any yet. The
14 only reason I know about this is because I have
15 land in the area and I've been following it. I
16 gave my e-mail address, my mailing address, as
17 did hundreds of other people in I think it was
18 October meetings. We didn't get notification of
19 this FERC project. Yet this is the -- would be
20 the most expensive project ever built by the
21 State of Alaska government. This would be it.
22 The biggest most expensive thing. But there were
23 no ads on the radio, TV, no newspaper ads. There
24 was a thing in the paper today but after the fact
25 for Anchorage. No e-mails to our AEA list,

1 nothing on Facebook pages, and so forth. I have
2 a Facebook page called friends of the flag stop.
3 You can put notification of meetings up there.
4 I'd be happy to do that.

5 So so far there's been no effort to
6 talk to the people who would be impacted. I'm
7 30 miles or whatever away from the dam itself but
8 it's the whole process of building it and
9 constructing it that would impact us.

10 Last time there were a lot of people
11 who were advocating for the project. And I owned
12 the property up there then. And a lot of
13 preposterous things were said in advocacy for the
14 project. And my friend, Rich Wilson, who's
15 running -- I saw him here a minute ago -- he's
16 running Susitna Power now has not said anything
17 preposterous. But last time -- yesterday someone
18 quoted Bob Penney who's a famous or infamous
19 Alaskan depending on your approach, he said lots
20 of preposterous things including that there would
21 be, quote, thousands of acres of agriculture in
22 the Upper Susitna Valley that would be developed
23 because the flow of the river would be
24 stabilized. And he listed the communities, like,
25 Canyon and Gold Creek and Curry and so forth, and

1 Sherman. And Sherman, because the walls are so
2 steep on the canyon, the sun doesn't shine
3 directly on the ground for four months a year.
4 Right. Kind of like Barrow, there's no direct
5 sun in. So hopefully there'll be a lot more
6 smart things said about this project and there
7 will be an intent to try to bring people into the
8 process in a way that we haven't seen so
9 effective that we haven't seen as good a project
10 of public involvement process.

11 I work for the Community Councils in
12 Anchorage. We send e-mails out to thousands of
13 people about public involvement process. We
14 didn't get anything about this. I personally,
15 since I have land in the area, I'm not going to
16 fashion an issue -- a statement and send it out
17 to our people but there was no intention to do
18 that.

19 This for many people is their
20 lifelong dream. I -- and I would bet almost all
21 the people in the area didn't develop, homestead
22 their land -- you have to stake it out, you had
23 to survey it, you had to do all this stuff -- we
24 didn't do that in order to sell it to the highest
25 bidder, you know, develop this and then sell it

1 to some project. We did it because we want to be
2 in a remote area in Alaska. This Eagle Boy Scout
3 from Ohio has his dream of having a cabin. It's
4 just a little cabin right now but I'm building a
5 bigger one. We want to have this project done so
6 well, if it's done, that people will later say,
7 boy, they got everybody involved.

8 I'm taking the flag stop train this
9 weekend. Are there fliers to hand out to people
10 of how to be involved so all the people who live
11 off there or recreate there can be given? I
12 don't know. I don't have any. I haven't seen
13 any on the Web site. Have they gone to the
14 railroad and gotten a list of our names? There's
15 tax records up there. There's an incredible
16 opportunity to do a very big public involvement.

17 Now what about these two things that
18 I see? The street -- road access proposal to
19 this stage. Two of them look horrific to us.
20 The reason, the Chulitna one I understand from a
21 gentleman who identified himself last night that
22 the intention is just to have -- on the two
23 western routes just to have literally the road --
24 gravel road I'm assuming -- that's built to the
25 railroad. Okay. And both either the westerly

1 north route to Chulitna or the southern one to
2 Gold Creek. And I heard from someone else a
3 40-acre industrial site where things are staged
4 from the railroad and hauled back to the site.
5 Okay. That may be necessary. But the problem
6 with that is once that road is put into Chulitna
7 or Gold Creek it will become a super highway for
8 people who want to access our woods. Now anyone
9 can buy land there, can use it already but every
10 other -- how do I say it without profanity --
11 every stupid person with a snow machine -- not
12 all snow machiners -- many of us own one, but who
13 think they want to go explore the dam site will
14 be zipping in on that road and then dropping down
15 to visit all our cabins. And we already have a
16 problem because you can't lock a remote cabin.
17 You can put a lock on it, but you can't keep it
18 secure. We're all worried that people are going
19 to go on that road. You can't put a big enough,
20 wide enough gate across that road. It's going to
21 be flat gravel all the way up there and they're
22 going to zip down and tear up our places. So we
23 have big concerns with that.

24 Next on Chulitna is it's only going
25 to be about four miles from the road. So will

1 there be a pressure to connect the George Parks
2 Highway to this road eventually? Maybe there are
3 Native corporations or other private landowners
4 that would like to develop a lodge or something
5 back there. Okay. Well, that's certainly their
6 right, it's their private property. So this
7 road, once built, the Chulitna one and the Gold
8 Creek one would fundamentally change the usage of
9 the area.

10 So I know this process is mostly
11 about, you know, should FERC give a permit to
12 allow them -- a license to allow them to continue
13 this process, for us we are hopeful that there is
14 incredible -- last time I'll say this --
15 incredible public involvement process that will
16 access all of us so we can build the project that
17 has the least impact. And then yesterday someone
18 said something about world-class facility. This
19 is someone who'd advocated for this project
20 before, a former governor said whenever you hear
21 someone who's probably advocating for a, quote,
22 world-class facility with public dollars, you
23 should very quickly reach into your pocket, grab
24 your wallet grasp it firmly and run because they
25 want to use your money, or in this case billions

1 of dollars.

2 So I'm neutral on this project as far
3 as the efficacy of whether it's the right thing
4 or not. But I am strident for making it one that
5 does not impact the people who use the area.

6 Thank you.

7 DAVE TURNER: Thank you. We are making an
8 effort to reach out. There's public documents.
9 AEA has a Web site. But spread the word.

10 MARK BUTLER: I just listed about 10 or 15
11 different ways that this could be done.
12 Facebook's free. Twitter's free. I don't do
13 that but a lot of these things won't take
14 anything. The e-mail list that the contractor
15 got in October, they're available. I'm assuming
16 they're part of the record there. So e-mail's
17 free too. So I'm not advocating for spending
18 billions of dollars on public involvement but I
19 think it could be very easily done in this case.
20 We could get an e-mail to Community Councils and
21 request to send it out to people.

22 DAVE TURNER: Okay.

23 MARK BUTLER: Thank you.

24 KIM NGUYEN: Dave, I have a question. I
25 was wondering if you could put the map back up.

1 I was wondering if Mr. Butler could show us
2 exactly where his cabin is located.

3 MARK BUTLER: I would be happy to, if I
4 may approach.

5 So my cabin is probably less of an
6 impact -- a direct impact than the people here
7 last night who own literally land right here.
8 What is missing on this map is notification that
9 there is lots of private property in this area.
10 There are 500 people from Chase to -- up to here
11 to -- 500 individually owned pieces of property
12 all the way up to Hurricane. So that's
13 Hurricane. Chase is about here. Curry where
14 Steve Payne goes and so forth. Gold Creek is
15 here which is again a proposed industrial site.
16 And mine's in Canyon which is right here. So I'm
17 dead in the middle but I'm just a few miles from
18 this lane. And people would come here and come
19 down and do all the things we do. There's lakes
20 there, there's cabins there. So I'm right in the
21 middle.

22 And if I may, another worry for us is
23 that this right -- so here's the railroad coming
24 down this way which separates the Denali State
25 Park here and private property and State-owned

1 property here, and then last time this happened
2 Governor -- then Governor Hammond right before he
3 left instead of running the power lines directly
4 down the railroad right-of-way and my little
5 area's called Canyon because it's a very narrow
6 canyon and very beautiful, it's tourist values,
7 he instead chose to move it, the power line up
8 high, north/south inter-ties, above and kind of
9 on the ridgetop up here. And it's rested ground
10 so it doesn't -- so it fades into the background.

11 So another question of ours is if
12 there is more -- you know, are they going to hang
13 more lines on existing poles or are they going to
14 do more poles? Certainly whatever that decision
15 is, engineers will determine that. Then if they
16 do those poles, will they follow the same exact
17 route which are generally away from all the
18 people or will they then choose the cheapest
19 route which is to stick it right down by the
20 railroad pass on -- down right in the middle of
21 all of our views? So that's a very small thing,
22 but to all of us who, you know, have our lifelong
23 dream of a cabin in Alaska, that's pretty --

24 DAVE TURNER: How do you and your
25 neighbors access your properties there now? Is

1 there roads existing?

2 MARK BUTLER: No, there are no roads in
3 the Upper Susitna Valley. That's what I started
4 my presentation with. These would be the first
5 ones. This area here all the way down and all
6 the way up is roadless. And that's what we like.
7 We take the railroad. So we're flag stoppers is
8 the term. And we take the railroad in from
9 Talkeetna. This weekend I'm taking the train
10 that goes all the way to Fairbanks. Getting off
11 there. We humor the locals. The people on the
12 train buy stuff. We unload bags ourselves and so
13 forth.

14 So if I wanted to walk down the
15 railroad tracks here, you would take 11 miles to
16 my cabin. And I've done it twice; once purposely
17 and once accidentally when I missed the train.

18 So, yeah, we think it's a special
19 place. And we ask anybody from the local end and
20 those who aren't from here, if you'd like to take
21 the flag stop train we'd love to have you. The
22 railroad would love to have you there and we'd
23 love to show you our cabins in the areas and see
24 the aesthetics that we find so important. And
25 this time of year you can't hear a creek, hear an

1 occasional plane going overhead and that's it.

2 DAVE TURNER: Thank you.

3 Anything else?

4 CASSIE THOMAS: Thanks, David.

5 My name's Cassie Thomas and I am the
6 Alaska hydro coordinator for the National Park
7 Service. And FERC knows this and AEA knows this,
8 and probably most of you know this, but just
9 based on some of what we heard last night I want
10 to make clear that my agency's involvement in
11 hydro has nothing to do with trying to turn the
12 entire state of Alaska into a national park.
13 Instead we are the federal resource agency that
14 consults with applicants and FERC on outdoor
15 recreation issues associated with hydro projects.

16 So I think AEA and FERC have done a
17 great job in general with SD1, scoping document.
18 It's pretty comprehensive. I just want to make a
19 couple of comments that maybe aren't listed in
20 the document about recreation aesthetics but I
21 want to make sure that they're within the scope
22 of what we're going to be looking at here.

23 One is with respect to recreation.
24 And it's kind of an indirect effect but similar
25 to the way in which the impact on flow -- on the

1 flow regime from the winter load following
2 operation of this project might have on ice
3 formation and open water and consequently
4 recreational access to and across the floodplain
5 anywhere downstream from the project.

6 I think that it's conceivable that
7 over time with reduced high spring flows and
8 maybe changes in ice patterns and breakup there
9 may also be quite a big change in the kind of
10 vegetation that exists within the floodplain of
11 the river, not only the braiding of the river but
12 the kind of vegetation that grows in the
13 floodplain. As we all know a lot of vegetation
14 is heavily impacted when there are high spring
15 flows and ice dams that break and, you know,
16 often results in only shrubs and foras being
17 able to grow in floodplains as opposed to thick
18 trees because they get debarked or knocked over.

19 I think with lower spring and summer
20 flows over time we may see a progression of or a
21 secession of changes where there may just be more
22 of a large vegetation in the floodplain and this
23 may affect recreational access year-round. So
24 that's something I think is a little bit less
25 direct maybe than the ice formation in the

1 winter, but over 50 years I think you can see
2 quite a change.

3 And the other comment is with respect
4 to aesthetics. And, again, this may be implicit
5 in what was already in the scoping document but
6 not only will there be aesthetic impacts from the
7 project facilities themselves and obviously the
8 reservoir but, again, the changes to the natural
9 flow regime downstream of the dam is an aesthetic
10 change. It's not just whitewater flows or -- not
11 even whitewater but, you know, whitewater class 1
12 flows are not just a value to on-river
13 recreationists but also to people who are viewing
14 the river incidental to other activities. So I
15 think we want to make sure that that's included.

16 So thanks a lot.

17 DAVE TURNER: Quick question, Cassie. I
18 completely follow you on your concepts of
19 vegetation change and how it might be altered.
20 One thing I was -- maybe it's not my area of
21 expertise, but how do you envision that change in
22 recreational use or access? I can see a change
23 in the aesthetics, but is it an improvement or
24 discouragement or --

25 CASSIE THOMAS: I don't think we know what

1 effect it would have. But I guess it's
2 conceivable to me that maybe in a lower snow year
3 if you have less of an open floodplain with just
4 small shrubs and other vegetation that gets
5 covered by the snow, if you have more of a forest
6 it maybe, you know -- you're also going to get,
7 you know, wind-thrown trees and someone who just
8 may have less easy access across the floodplain
9 or even to points of the floodplain or wherever
10 that people are trying to access. And I don't
11 know the answer to that. I think it bears
12 investigating though because it seems like it's a
13 likely change. And I believe it's within the
14 scope of the terrestrial resources section that,
15 you know, we're going to be looking at vegetative
16 changes in the riparian and floodplain areas.
17 But I don't think we've directly said, hey, by
18 the way that could also affect recreational use
19 access.

20 DAVE TURNER: Okay.

21 CASSIE THOMAS: So we don't know but it's
22 worth finding out.

23 Thanks.

24 DAVE TURNER: Anything else anybody else
25 wants to add? Cassie sort of introduced the

1 aesthetic.

2 JESSE FERNANDES: In Scoping Document 1 we
3 expect to evaluate the effects of project
4 construction and operation and the presence in
5 contracting project features on aesthetic
6 resources including scenic resources and the
7 soundscape.

8 Does anyone have any comments?

9 FRANK WINCHELL: Cultural resources will
10 involve effects of project construction in the
11 nature of course of the reservoir waters,
12 disturbing probably increase -- potentially
13 increase of vandalism because you're coming into
14 a lake area on these new corridor routes. And
15 also changes of the landscape as a general rule
16 has an aesthetic claim perhaps now, you know,
17 power lines and things. So there's a little bit
18 of overlap on aesthetics. But essentially
19 cultural resources are the things that are
20 important to our nation's history, the state's
21 history, including archaeological sites. Of
22 course, with native Alaskans with traditional
23 cultural properties, vestiges of historic mining
24 activities perhaps up there that would also be
25 recorded. So essentially things that would be

1 affected by the project, vis-a-vis, cultural
2 resources would be investigated.

3 And I'd like to add that probably --
4 well, not probably but there will be some overlap
5 with subsistence practices and ethnic gravity
6 analysis that will bridge subsistence use. And
7 that would be an aspect, but of course AEA has
8 proposed specific subsistence studies as well.

9 Any questions about cultural
10 resources? Things we might have missed?

11 DAVE TURNER: I guess we'll move to
12 socioeconomic resources if there's nothing else.

13 LISA McDONALD: For socioeconomics we will
14 be looking at changes in employment and income
15 associated with construction and operation of the
16 dam and the reservoir facility and any changes
17 that may have on population in the local and
18 regional area. Those changes in population,
19 we'll look at how that may affect local
20 government services, infrastructure, changes in
21 transportation in the local area.

22 We'll also be looking at changes in
23 tourism and recreation and what that does to
24 local communities and the economy. And also take
25 into account changes in fish and wildlife

1 populations and distribution and how that would
2 affect traditional subsistence activities, access
3 to those resources and changes in land use.

4 Anything else that we should be
5 considering under socioeconomic or any comments
6 on that?

7 RICH WILSON: Hi, I'm Rich Wilson with a
8 group called Alaska Ratepayers. And we are
9 concerned about the economic effects of the --
10 being analyzed properly. The project is going to
11 have -- as many other similar hydro projects do,
12 the project will have a lot of beneficial effects
13 on various industries and various individuals and
14 families around the region. And we wanted to
15 make sure that these points were covered in your
16 analysis.

17 What would be the economic effects on
18 the region that is the railbelt and beyond, all
19 the way over to Copper Center and so forth, even
20 off to the west as well as all around Fairbanks
21 and the Southcentral area in these ways: What's
22 the effect of employment? You've talked about
23 construction and operation/maintenance. And I
24 think it should be including the support of
25 businesses that will be supporting the operation

1 indirectly and directly.

2 Secondly, the increase and decrease
3 in the cost of living for residents. The
4 stability of electric rates will have a
5 beneficial effect in the long term on the average
6 family's stability and some in the lower income
7 categories especially where electric costs are a
8 larger portion of the family budget. And this
9 would have a disproportionate benefit on those in
10 the lower categories where they just have to heat
11 the homes to a certain level all winter long.
12 And the rates that they would be paying could
13 make a difference in some cases between making
14 other choices for survival. It will affect the
15 -- okay. That's the second thing.

16 Third thing is how will it mitigate
17 unemployment? How will this cost flattening
18 affect the individuals? An important flattening
19 and it's relative to the option of continuing on
20 the track that we're currently on which is
21 gas-fired generation which is influenced directly
22 by the great -- the cost that is charged by the
23 producers and the distributors of gas. And that
24 fuel cost is variable, has been. In the '70s,
25 .10 per thousand cubic feet is now \$7.00 per

1 thousand cubic feet. That has had a dramatic
2 effect on the relative benefit of hydro which is
3 high cost up front but it stabilizes. And if
4 it's done with the proper financing that is
5 typically done in Alaska by the State where in
6 the case of Bradley Lake for example or all the
7 outhur four dam pools and many other dams, the
8 State has appropriated approximately half the
9 cost. And that brings down the up-front cost and
10 brings down the rates. We believe that that will
11 occur in this case as well. Why would
12 Southcentral and the railroad be treated any
13 differently than Kodiak and Southeast and Bradley
14 Lake? So given that we're going to have more
15 affordable rates which we have current rates or
16 below we've projected and we've looked at this
17 over a four-year period we know that there are
18 studies by AEA on the cost and the rating yet to
19 be done.

20 But we believe that ultimately for
21 the benefit of the public policy this is -- this
22 investment by the State of Alaska will be done in
23 this case as it has in many other -- in all of
24 the other major hydro projects around the state.
25 That results in the reduced cost of energy both

1 in the long-term expectation of stabilized cost
2 including individuals and those who are on the
3 balance of employment versus unemployment and
4 also will reduce the cost of social services for
5 those who are unemployed or fall off the
6 employment track and require social services from
7 government and nonprofits.

8 I think those all are -- the fourth
9 one is increase and decrease in the cost of doing
10 business in Alaska. We have an oil-dominated
11 economy and we're lucky to have it but we've
12 grown complacent as a result of having this huge
13 source of revenue coming in from oil companies.
14 What we need to be doing is diversifying our
15 economy and the benefit of that is what if oil
16 doesn't continue at \$122 a barrel? What if the
17 volume flowing through the pipeline isn't able to
18 be reversed, it's declines able to be reversed?
19 What if -- and even if it's not going to go any
20 further down then what are the economic
21 opportunities my children and grandchildren have
22 for the future and is that -- that is an effect
23 that we would like to -- for you to address in
24 this study. The increase and decrease of cost of
25 doing business and creating jobs. And I think

1 the Alaska Energy Authority is embarking on that
2 through studies with its sister agencies.

3 The fifth item is overall economic
4 effect on the residents, commercial and
5 industrial users and concern of continued
6 variability of electric rates, as I mentioned
7 before, versus stable electric rates. What does
8 that do to our society? It puts us into a
9 defensive mode always reacting to wild
10 fluctuations, the tripling of electric rates in
11 the last 15 years. And that's purely as a result
12 of the dependence on natural gas. So if we
13 replace half of that generation with a stable
14 source we're going to dampen that variability and
15 have positive economic effect on all these uses.
16 And we can talk about how to go about that.

17 So I do want to echo one more thing
18 that was stated earlier by my friend, Mark
19 Butler. He is correct that Community Councils in
20 Anchorage should be alerted directly through the
21 federation. They need to be added to the mailing
22 list. We believe that a lot of Anchorage
23 residents are just unaware that this whole
24 thing's happening. And Fairbanks residents are
25 more aware of it but even there you need to have

1 good public information. And I think an enhanced
2 process would go a long way.

3 Thank you.

4 DAVE TURNER: Thank you for your comments.

5 Anything else anybody wants to add?

6 This brings us to air quality and
7 developmental resources.

8 KIM NGUYEN: This is Kim Nguyen at FERC.
9 We have identified two issues on air quality and
10 that's the effects of the project operation and
11 construction on the air quality and greenhouse
12 gas emissions in the area. And I'm also going to
13 talk about the developmental resources since we
14 only have one bullet for that. It's the effect
15 of the proposed project and alternatives
16 including any protective -- protection,
17 mitigation, enhancement measures on the economics
18 of the project. So when we talk about
19 developmental resources, it's the power to
20 produce -- the cost of producing the power of the
21 project and comparing that with the least
22 alternative source of power in the area.

23 Any questions in those two resource
24 areas?

25 IRA PERMAN: Hi, my name is Ira Perman and

1 I'd first like to welcome you all into Anchorage,
2 Alaska. You were here at the beginning of our
3 interminable spring which follows our
4 interminable winter and it will be two months
5 before we see anything green here yet. But thank
6 you for joining us this time of year.

7 My presentation today addresses the
8 one you just made. I'd like to see you include
9 in the scope of your environmental impact
10 statement a study of the comparisons of the CO2
11 emissions with this project and with what would
12 happen without this project. Currently much of
13 the railbelt is served by hydrocarbon generation.
14 Particularly in Anchorage we generate most of our
15 power from natural gas. It of course emits
16 carbon dioxide. Not as much as coal and oil but
17 it still does. Up in Fairbanks, you'll hear this
18 when you get to Fairbanks, much of their least
19 expensive power -- and they have very expensive
20 power -- their least expensive power is coal.
21 They have coal plants in the community and they
22 have coal plants right along the highway,
23 particularly in Healy right outside the park
24 entries to Denali National Park.

25 I'm on the board of directors of

1 Alaska Geographic Association and we have strong
2 issues about having coal generation right outside
3 of Denali National Park. There's one active
4 generation plant that has been there for quite a
5 long time and the dormant, supposedly clean coal
6 plant that has never been fully operational. But
7 at some point the demand may cause it to become
8 operational. Those are heavy CO2 emitting
9 plants. But they're the least expensive power
10 for Fairbanks. And Fairbanks, as you will hear,
11 is very desperate for affordable power.

12 I'd like you to compare carbon
13 emissions from those sources, those coal plants
14 and our natural gas plants here, see what would
15 happen if we had Susitna. I think you will find
16 Susitna is a far better lower CO2 generating
17 option than what we have now. And of course we
18 are going to need more power. We are growing.
19 And the question will be what will the power
20 source will be? Will it be more natural gas?
21 Will it be more coal? Will it be wood, which
22 they're using a lot of wood in Fairbanks right
23 now or fuel oil which is also a big source out in
24 much of Alaska.

25 The most important portion of the

1 Institute of the North which was founded by
2 Secretary of Interior Walter J. Hickel, who was
3 both a development person and an
4 environmentalist. This project would look good
5 to him. He would find that this project does
6 protect the environment, does reduce CO2
7 emissions. That's that a big deal here in Alaska
8 where we're concerned about global warming. So I
9 would say that it's a good thing. I just want to
10 bring that to your attention.

11 One other aspect I'd like you to
12 include in your research is a consultation with
13 the Cold Climate Research Center in Fairbanks.
14 This is about the researching organization that's
15 looking into materials that replace concrete.
16 The importance of that base, concrete. One of
17 the largest CO2 emissions of this project will be
18 the creation of concrete. They were working on
19 the replacement for that which takes the very ash
20 that is generated by the coal plants, combines it
21 with molecular polymers and takes the place of
22 concrete. Lasts longer. Generates no CO2 and in
23 fact sequesters the CO2 from the power of the
24 coal plants. They have enormous quantities of
25 that stuff up there. So you might take a look at

1 that possibility as well.

2 That's the general gist of my
3 approach. My request is you include in your EIS
4 that comparison of what it would be with and
5 without CO2 emissions with and without this
6 plant.

7 And thank you once again for you
8 time.

9 DAVE TURNER: Thank you. Appreciate your
10 comments.

11 Anything else anybody wants to add?

12 If there's nothing else to add --

13 MIKE BUNTJER: Mike Buntjer with the Fish
14 and Wildlife Service.

15 As you know we have worked closely
16 with both you and AEA on this project. I'm not
17 sure today that I have much in the way of
18 comments other than to agree with Cassie that I
19 think overall the scoping document does a pretty
20 good job of covering some of the topics or most
21 of the topics.

22 I do have a question in terms of
23 climate change, why it's not included in the
24 document. Since the studies back in the '80s
25 there has been a change in the peak flows, the

1 timing of the peak flows of a couple weeks. And
2 so it seems to me in a glacially fed system like
3 the Susitna climate change would be something
4 that should be included.

5 For me in terms of the comments on
6 the scoping document is probably more of the
7 potential issues are in the details. So we will
8 be providing comments on both the scoping
9 document, the PAD and the study requests as well.

10 I think just one other question I
11 have, or comment, is you had mentioned earlier
12 that you will likely extend the deadline for
13 comments on the scoping document. When will you
14 make that decision and then on what basis do you
15 make that decision?

16 DAVE TURNER: Well, the last question's
17 the simple one so we'll take that one first. The
18 letters and all the pieces came in together this
19 week while we were on travel. So I expect to
20 have a decision out next week when we're back in
21 the office.

22 MIKE BUNTJER: It wasn't a complaint. It
23 was just a question.

24 DAVE TURNER: First question, let me ask
25 you one first is: I understand current data

1 suggests there's timing in peaks but what about
2 that are you mostly concerned about in terms of
3 how would you use that data?

4 MIKE BUNTJER: I think mostly looking at
5 the future with and without the project. You
6 know, you reduce -- I mean, the operations will
7 change peak flows, it'll change base flows, water
8 supply in terms of the glaciers could have
9 effects on that timing. It would be nice to know
10 what the future is in order to compare the future
11 with or without the project I guess basically.
12 And then also it's a water supply issue as well.
13 I mean, if the glaciers dry up or reduce
14 substantially the flows in the river then there
15 would also be those changes as well that would
16 need to be evaluated.

17 DAVE TURNER: It's been the Commission's
18 view of the model so far that have been developed
19 that just don't provide the detail that we can
20 look at those future projections at a project
21 specific level. And those models that are out
22 there often require really huge computer runs and
23 efforts that frankly given the sophistication,
24 the fact that we can't use them we're not asking
25 our applicant at this time to do it. We're not

1 saying we believe or disbelieve in climate change
2 or the effects, it's just how useful are those in
3 defining future operations. And we've often
4 included adaptive management issues to deal with
5 the flood years, drought years. We're going to
6 be looking at those changes based on historical
7 flows and conditions and we can build that in and
8 we can monitor the situation. So I'm not sure
9 given that that we're at the place that we think
10 we can actually factor in climate change in an
11 effective analysis to do much meaningful with the
12 data.

13 MIKE BUNTJER: I'll just add that I am --
14 that AEA is including it in their study plans
15 outside of FERC at least.

16 DAVE TURNER: And it's our understanding
17 they're intending to pursue some of that data and
18 that is entirely up to them.

19 WAYNE DYOK: Mike, thank you very much for
20 stepping up because that's exactly what I wanted
21 to talk about as well. And I think we've heard
22 from our Commission staff here that the climate
23 change and studies that they do are a little
24 different than what we're talking about here.
25 And the fact that FERC requires something or

1 doesn't require something of an applicant I think
2 that's important. But it's also important for
3 the Alaska Energy Authority to listen to the
4 folks within the state. And in some cases we may
5 have, you know, parallel processes. For example
6 we do a health impact assessment. That's not
7 necessarily something that FERC would require as
8 part of their study but that's something we do in
9 Alaska here.

10 We are interested in the effects of,
11 you know, mass wasting of the glaciers. And so
12 we have embarked on a study -- a parallel study
13 that's outside of the FERC process to look at
14 glacial mass wasting and working with resource
15 agencies to try and, you know, understand how
16 that might affect the operations of the project.
17 And for us it's more of an effect on the
18 operations than it is an effect on the economics
19 that FERC would be doing. So we plan to continue
20 to work with the resource agencies, NGOs and
21 others on that particular issue and perhaps even
22 other items that we in Alaska feel are important
23 for us to evaluate.

24 DAVE TURNER: Anybody else have any other
25 comments, questions?

1 JAMES POSEY: My name's James Posey. I am
2 currently the general manager for Municipal Light
3 & Power here in Anchorage. Lighting and powering
4 the sound here now. Former commissioner for
5 Public Utilities for the State of Alaska. But
6 more importantly on this subject as a owner of 52
7 percent of Eklutna Glacial Power Project which is
8 basically Eklutna plant, hydroelectric plant and
9 25 percent owner of the output of Bradley Lake.

10 Understanding the whole idea of
11 climate change or global warming, whichever way
12 it's said is very, very important. For the last
13 four or five years we have funded APU, that is
14 Alaska Pacific University to study the Eklutna
15 Glacier along with their studies of the other
16 glaciers feeding the various waters coming into
17 the Cook Inlet. And the resource value that I
18 wanted them to tell us about was what is the
19 length of time that we have for that glacier
20 which has been producing a lot of water and a lot
21 of power for us over the years. And the latest
22 impact was that in a hundred years they still see
23 water coming into that dam and providing power
24 given the amount of ice, the amount of change
25 that they've seen and the studies that they have

1 done using both professors and the students.

2 I've also been out to Bering Glacier
3 with the BLM in trying to get both the APU
4 project and the Bering Glacier BLM-sponsored
5 projects to start talking about what we see in
6 the glaciers here in Alaska. As I spent two days
7 out in the cold camping out with the guys putting
8 my feet to the fire talking about general theory
9 is that as we see the retreat below 1,200 feet,
10 the changes that we're seeing here in Alaska,
11 that is not quite offset but it is offset some by
12 the continued increase above 1,200 feet of any
13 glacier. And so therefore as we look at this
14 resource I applaud that they're going to be
15 working -- I talked to Wayne about this -- is
16 work with our crew which is Mike Loso at APU and
17 the BLM to make sure that we understand all of
18 the glaciers and exactly what is happening over
19 the changes that we're seeing because that's
20 important for us.

21 We'd like to buy property off of this
22 project going out in the future and for another
23 100 years after that. But we understand that
24 glaciers are important. But what my guys have
25 found out is that you basically get about a third

1 of your water from snow, a third from glacier
2 melt and a third from rain. Now that changes but
3 that's the Eklutna model that we've been able to
4 see.

5 Thank you.

6 DAVE TURNER: Anyone else?

7 Okay. I guess just to kind of wrap
8 up a few things, again, some important dates that
9 are coming up: Study request due April 27th
10 unless we grant it to May 31st. Proposed study
11 plans will be out by June, middle of June, may
12 shift to July. Study plan meetings, the first
13 one that's required -- I'm sure there'll be
14 multiple others -- deal with things sometime in
15 July right now. Possibly moving to August.
16 Revised study plan in October. More like
17 November if we shift the date. And then a study
18 determination in November or December.

19 If there's nothing else, anybody,
20 other questions, comments, general concerns?

21 BETSY McCracken: I am Betsy McCracken
22 with the Fish and Wildlife Service. And I just
23 had a question for FERC or Wayne. I was looking
24 through the scoping document and I might have
25 missed it but I was wondering if they were

1 planning to look at permafrost in that area in
2 terms of the integrity of the dam construction.
3 I know it was mentioned at one of the agency
4 meetings but I haven't seen any follow-up
5 regarding that.

6 DAVE TURNER: I thought we included it as
7 an issue as well but we can clarify that.

8 Okay.

9 BETSY McCRACKEN: Okay. Thanks, I just
10 wanted to --

11 WAYNE DYOK: Good question, Betsy. Yes,
12 there was a pretty major study that was done in
13 the 1980s and we have a study plan that we're
14 developing that's part of the scope of work that
15 we're going to be undertaking this summer to look
16 at where we think the most sensitive area is up
17 in Watana Creek and the effect that raising of
18 the reservoir will have at the slope's ability
19 there. That's the primary concern. We're also
20 doing some studies, creating some thermographs on
21 the south side of the dam this year being able to
22 look at the effect of the differences in the
23 temperatures and how that might affect the
24 project. But we appreciate that it's an issue
25 that has been raised. And our plan is to do a

1 pretty significant evaluation of that this year.
2 That's over -- involved the work that was done in
3 the 1980s. I think the 1980s, you know,
4 demonstrated that as a catastrophic problem but
5 there was (sic) some issues and we're going to be
6 able to get to the root issue through studies
7 this year.

8 DAVE TURNER: Last chance.

9 IRA PERMAN: Again, my name is Ira Perman.
10 This is a different comment. Institute of the
11 North is a research institute where we look at
12 various issues across the entire Arctic. One of
13 our big study areas right now is in fact energy.
14 Last summer we led a tour, legislators and other
15 public policy leaders to Norway where we studied
16 among other things there, hydroelectric
17 generation. You may be aware they generate
18 95-plus percent of their power from
19 hydroelectric. They have the most advanced
20 hydroelectric generation facilities in the world.
21 They use it not just for electricity but for
22 heat. It's very inexpensive because they put it
23 in a long time ago.

24 This summer -- not this summer, but
25 this late November we are leading a tour to

1 Iceland where we're going to do the same thing.
2 We're going to take a look at Iceland's
3 generation of energy, particularly hydro and
4 geothermal. And if any of you are up for it,
5 it's November 25 through 29. It's a great time
6 to go to Iceland. I would invite anybody else in
7 the audience who would like to go to Iceland and
8 study how that country goes about developing its
9 energy. It's entirely -- it's entirely renewable
10 in how they go about their process. Like what
11 you're doing here, we're going to be studying
12 their processes also. Just wanted to make you
13 aware of that. If any of you are up for a little
14 trip to a cold place in the middle of a cold dark
15 time, come see me.

16 Thanks very much.

17 DAVE TURNER: All right.

18 UNIDENTIFIED SPEAKER: There is someone on
19 their way. Take like a five-minute break or
20 something?

21 DAVE TURNER: Oh, there's more people
22 coming that you're --

23 UNIDENTIFIED SPEAKER: Yeah. Yeah, they
24 thought they had till 2:00. So if we can just
25 take a -- they're on their way literally.

1 MARK BUTLER: So my assumption is that
2 this -- this panel will be available till 2:00
3 for taking testimony; is that correct? You -- it
4 was posted on the Web site from 9:00 to 2:00. So
5 in Alaska we're pretty direct and open about
6 saying what we feel about stuff so I wouldn't be
7 surprised if people came on their lunch hour
8 since a lot of us are employed and aren't able to
9 get away.

10 DAVE TURNER: That wasn't our intention
11 but I think we have the flexibility to do that.

12 MARK BUTLER: It didn't say that on your
13 Web site which is again the only source of
14 information about this so far.

15 DAVE TURNER: We can do that. We can take
16 a break.

17 (A break was taken.)

18 BRADLEY EVANS: Good morning. Thank you
19 for the opportunity to testify. My name is
20 Bradley Evans, I'm the chief executive officer of
21 Chugach Electric Association which currently is
22 Alaska's largest electric utility. We're a
23 vertically integrated utility. We have
24 generation, transmission, distribution and have
25 been in business over 50 years. We also provide

1 power to other utilities up and down the
2 railbelt.

3 Currently about 90 percent of our
4 annual kilowatt hours come from burning natural
5 gas with combustion turbines and combined-cycle
6 operations. The other ten percent comes from
7 small hydro products. We have a joint project
8 with ML&P and MEA and Eklutna. We have our own
9 project at Copper Lake which is a small
10 20-megawatt one and we're participants in the
11 Bradley Lake hydroelectric project.

12 We feel like we're overly dependent
13 on a single fuel source and that provides a lot
14 of risk to us because the profile of supply for
15 gas in Cook Inlet is under stress and strain.
16 And we really think that we need to pursue
17 diversification in our generation. One way --
18 when we looked out there and we looked at that we
19 said, well, what are all the possibilities. And
20 we recognize that Alaska's rich in hydro
21 resources but they're not always easily
22 developed. And we looked at coal and thought
23 there's a lot of risk in coal and things like
24 that. And we certainly have a lot of coal. But
25 we decided to pick a path -- on the hydro path.

1 So we went to the State and we asked
2 them -- you know, when you look in our area, our
3 geographical area and treating the area northwest
4 of us as a basin, we said, you know, there's
5 several possibilities out in that basin for
6 hydroelectric; and we know that we have the
7 long-standing Susitna studies. We knew that that
8 was too large of a project. So we've asked them
9 to take a look at ways -- can you right-size that
10 project and make that project a better fit for
11 what we need here and reserve the future for the
12 future deciders.

13 And, you know, there were other
14 projects that they looked at as well. And what
15 percolated out of that was the Watana Project
16 which seemed to be about the best fit and worked
17 for the off-takers. And we know that every
18 project that we look at has some kind of
19 footprint that you have to pay attention to. And
20 we thought this is the process that pays
21 attention to that footprint.

22 So from that we've planned around --
23 we've done more than just asked the State to take
24 a look at it and develop that. We've also
25 planned our own portfolio around that too. We've

1 put in a new generation facility which we think
2 will dovetail quite nicely with the Watana
3 Project because of the way we can take the units
4 on- and offline. We understand that there'll be
5 seasonal differences in the output of Watana
6 within -- we've done the right thing there, we've
7 put in gas storage on the Kenai that we'll be
8 able to put gas in there and using our own
9 combustion turbines complement the balance of
10 resources between large-scale hydro up in Watana
11 and Susitna drainage and our own needs down here.

12 And I just I think it's important to
13 know that we have been looking at this. We've
14 planned our balance sheet. We've actually had
15 units that are going to retire at or around the
16 time that Watana is scheduled to come online. I
17 know that we could always change our mind later
18 if it doesn't get developed for some, but we'd
19 rather continue with the plans that we have right
20 now to get -- to lessen our dependence on fossil
21 fuel. We think that's something that needs to
22 happen.

23 And last, we know from the
24 information that we have that we think that this
25 project can be developed responsibly. We know

1 that all projects have a footprint. We
2 understand that. We've pledged to work with the
3 State and through the permit process and all of
4 that to look at all of the concerns and balance
5 that with the benefits. And we're able to
6 modulate on our side to help this project run
7 responsibly and we think we can do that. We
8 don't see any information right now that says we
9 can't do this responsibly and we ask for your
10 support in that process.

11 DAVE TURNER: Thank you.

12 Anybody else? Anybody else that
13 wants to make a comment? If not, we'll take
14 another break and we'll make ourselves available
15 till 2:00 just to make sure that there's nobody
16 else that straggles in here. We'll adjourn for
17 the time being then.

18 (A break was taken.)

19 DARRELL PETERSON: My name is Darrell
20 Peterson. I'm here to testify on behalf of the
21 Susitna Power Project.

22 For my own history I was born and
23 raised at a hydroelectric plant in Washington.
24 So with that in mind there's about three things
25 that I would like to make a point.

1 One is to plan within the village
2 that will be housing permanent workers that there
3 would be a public safety building as well as
4 plans for a school for the families of the
5 workers.

6 One of my biggest concerns I think
7 the regulations and so forth are in place but my
8 biggest concern is providing a document that
9 controls the recreation above and on the
10 reservoir. That is because there will be public
11 access to the reservoir. It becomes land that
12 should be available for recreational homesites,
13 five-acre parcels, very similar to what Alaska
14 already does. And in order to have this happen
15 because there are so many conflicting landowners
16 between the State, Native corporations, the
17 federal government, that instead of going every
18 other section with property that they are bundled
19 together so that the State can actually develop
20 these resources, the land for recreation. If
21 they're done every other section there'll never
22 be -- it'll never be developed at all. They'll
23 never have any recreation sites. And because
24 this is far enough into the interior it allows
25 for summer, fall and winter recreation.

1 I didn't get a chance to see what the
2 overall cost is that's projected per kilowatt
3 hour but generally speaking hydroelectric power
4 is by far cheaper over the course of 50 years
5 than any other form of hydro -- power that we've
6 been able to come up with.

7 So I'm a firm supporter of this. It
8 will also help control flooding to some degree on
9 the Susitna. It will actually allow a better
10 spawn of fish because it will not wash out in
11 spring thaw floods and destroy salmon-rearing
12 low-lying areas.

13 And with that I'd like to conclude my
14 testimony.

15 Thank you.

16 (A break was taken.)

17 DAVID McCARGO: My name is David McCargo
18 and my address is P.O. Box 100767, Anchorage,
19 Alaska 95510. And I'm representing myself. And
20 I would like to make some cursory scoping
21 comments and I may subsequently submit comments
22 in writing.

23 My first observation is that this is
24 one of the best wilderness areas left in
25 Southcentral Alaska. And this project is going

1 to have obviously indelible impacts on that area.
2 Among which, for example, we're talking about a
3 40-mile long lake. You're going to have second
4 homesite developments. You're going to have
5 State land sales. You're going to have roads
6 throughout the area. You're going to have
7 off-road vehicle use, both winter and summer
8 throughout the area. You're going to have
9 horrendous wildlife impacts in the area including
10 impacts from off-road vehicles, hunting, et
11 cetera. So there's no question that this
12 project, the on-site impacts are going to be
13 enormous.

14 Second of a general nature is what
15 are good of the impacts of this project on the
16 subsidization of low-cost energy. I would
17 forward the notion that this is going to spur
18 major growth in the Southcentral area relating to
19 in part industrial development. There's no end
20 to this. There's all sorts of scenarios, a lot
21 of which are already on the table. For example,
22 is the availability of low-cost energy going to
23 spur more coal development in the area, coal
24 gasification? Is this going to -- is some of
25 this energy going to be used for the Pebble

1 Project which we're already looking at? And I
2 would submit, for example, that we have other
3 examples of where this happened and I would point
4 out one is Bradley Lake. That cheap power from
5 the Bradley Lake project has resulted in
6 significant development on the Kenai Peninsula.
7 So the availability of an enormous amount of
8 low-cost power in the Southcentral area is going
9 to have -- guaranteed to have significant
10 impacts.

11 Next are: What are the alternatives?
12 How badly and at what cost is this energy
13 required? The -- 20 years ago this was a major
14 component in the argument then and one of the
15 most obvious problems with this is the need for
16 it. The State of Alaska has done very little in
17 the way of energy conservation measures. You can
18 go into just about any grocery store in town here
19 and you're going to have open coolers and
20 freezers. And that begs the question, why do we
21 need more electrical energy when we're not taking
22 steps to deal with the problems that we have at
23 hand? And a lot has been done on this. Most
24 notably by folks like Amory Lovins at the Aspen
25 Institute. He's written over 30 books on the

1 subject. And clearly the most obvious
2 alternative to developing more energy projects is
3 energy conservation.

4 Another aspect of this that I think
5 should be examined is what is the connection
6 between the growth that is going to stem from
7 this project and other energy resources? For
8 example, with the development that will stem from
9 this project ranging all the way from Fairbanks
10 south to the Kenai Peninsula is that in turn
11 going to draw from other energy resources,
12 notably oil and gas? So, for example, in the
13 Anchorage area as you have more growth happening
14 here and in the Mat-Su Valley is that going to
15 require more energy development here in terms of
16 demand on oil and gas resources?

17 One of the biggest reasons that this
18 is being thrown around at least overtly is that
19 this is so-called clean energy. I submit that
20 that's not the case and you can take a look at
21 anywhere else this has happened, i.e., the
22 development of the Columbia River and what it did
23 to the industrial development in the northwest.
24 While site specific it may be clean energy, the
25 secondary impacts, i.e., coal gasification, coal

1 development, whatever industrialization you're
2 going to have both in residential and in terms of
3 general industrialization of the region that's
4 going to have offsetting pollution impacts. So
5 this is not a clean project by any means.

6 So those in essence are my comments.
7 And I, as I said before, may make some additional
8 ones in writing.

9 (Whereupon the scoping meeting was
10 concluded at 1:40 p.m.)

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