

Meeting Minutes
Watana Hydroelectric Project Licensing
Licensing Process Meeting
1:00 PM June 27, 2011
Held at AEA Offices
813 West Northern Lights Blvd; Anchorage, AK

Purpose of Meeting: Discuss the licensing process options for the Watana Hydroelectric Project

Attendees:

Present for AEA:	Bryan Carey , Project Manager
Present for AEA:	Sara Fisher-Goad , Executive Director
Present for CardnoEntrix:	Jim Gill Senior Consultant/Deputy Project Manager
Present for ADNR:	Gary Prokosch
Present for USFWS:	Jennifer Spagon
Present for USFWS:	Mike Buntjer
Present for USFWS:	Betsy McCracken (via telephone)
Present for ADF&G	Monte Miller
Present for ADF&G	Jason Mouw
Present for NMFS:	Susan Walker
Present for NMFS:	Eric Rothwell
Present for NMFS:	Tom Meyer (via telephone)
Present for USGS:	David Meyer
Present for Alaska Ratepayers:	Rich Wilson
Present for Alaska Ratepayers:	Frank Mielke
Present for Alaska Conservation Alliance:	Kate McKeown
Present for Alaska Conservation Alliance:	Mike Coumbe
Present for Alaska Center for the Environment:	Kaarle Strailey
Present for Hydropower Reform Coalition:	Jan Konigsberg
Present for MWH	Kirby Gilbert
Present as MWH Subcontractor Long View Associates	Steve Padula

Discussion Summary:

1. After introductions Bryan Carey briefed the group on the State goals and objectives for the Watana Hydroelectric Project. It was noted that this meeting date was originally set up to review the aquatic and terrestrial GAP reports but those reports were not quite ready so AEA thought it was good to use this meeting to go over licensing options as a way to get input from other parties on concerns and ideas of with regard to a licensing plan. Bryan Carey of AEA discussed the state's need for some certainty in licensing timelines and indicated that FERC's Integrated Licensing Process (ILP), with some possible modifications, was being considered at this time for the Watana Project. Steve Padula then provided a summary overview of the three FERC processes and identified the general commonalities and differences between them. It was indicated that the project team is thinking of the ILP with some flexibility. The meeting was then opened up as a round table discussion of past licensing experiences, concerns, anticipated needs, and interests of the represented stakeholder groups. The following points are an attempt to capture some of the main discussion items:

- Monte Miller of ADF&G has experience with lot of FERC processes and noted that ILPs are front loaded with many activities and only one time has such a process been attempted in the state of Alaska.
- Concerns by agencies that not every party might be able to sign off on all issues, and the resource agencies and other stakeholders in Alaska are more familiar with the ALP where all decision making is by consensus.
- If NEPA is being run concurrent with the pre-filing process, there could be a problem with handling changes that arise and public perception that NEPA is being rushed, or done too early from what they are use to.
- A strict following of the ILP process would allow for 2 years of field studies, but it would probably take almost 5 years from now to get a license application filed with FERC.
- Alaska Ratepayers representatives asked how much of the 1980s information can be used in this new licensing process. The response discussion among participants was that is depends on the subject matter as some work, like that on sediment transport is probably very valuable but other areas, like socioeconomics is probably too dated to be of much use.
- It was recommended that if the ILP process were to be modified to add in some flexibility AEA needs to really spell out the specifics of what those modifications might be. Modifications on the order of shifting timelines by only 30 days might not really help the overall process.
- Question about how much of the \$65 million in current budget allocation for this project would be used for environmental studies, or how long would this funding carry the process for AEA. The response discussion lead by AEA

was that funding would likely be sufficient for engineering and licensing studies in the range of about 3 or 4 years.

- Concern raised by Federal agencies particularly that many staff are very busy with numerous ongoing projects and finding manpower to work on the licensing of this project, regardless of licensing process, is going to be difficult. Bryan Carey noted that AEA is open to helping find suitable arrangements for finding some manpower funding.
- Similarly, state agencies representatives expressed their concerns regarding recent budget cuts and how that could affect their ability to participate in any licensing process of this magnitude.
- Concern that in an ILP, FERC's NEPA scoping is of limited duration and that would force all issues and study topics to be identified during that short timeframe, and a large project such as this needs more flexibility and open ended timeframes.
- Discussion that the ILP process was developed by FERC only for relicensings and is thought to be not well suited, or suited at all, for a new project/original license.
- Concerns regarding the ILP and its fast pace. Additionally the ILP would entail a prescriptive process and the worry is there is lack of agency funding and staff resources to dedicate time and efforts on the project to meet an ILP schedule. The pace of the project under an ILP might be too fast to be able to really resolve issues and properly scope studies.
- Discussion that it could take up to 7 years of studies and consultation to complete a license application and that the strict ILP timeframes could not be met.
- Some of the biggest concerns with the ILP center on manpower supply issues and generally too short of timeframes for the various steps built into the ILP process.
- NMFS described that there can be as many as 60 projects going on within their purview at one time and it would be hard for NMFS to do justice for a project as large as Watana. If Watana is the priority some other projects might have to slip, and it takes time to staff up.
- Jan of HRC noted that there are issues of manpower resources for agencies in terms of doing the work necessary to review and participate in the study process itself, and then there is the issue of trust in the quality of the study work conducted by AEA contractors. It can come down to who gets to pick the study methods, study consultants, and perhaps a 3rd party may need to be brought in to review studies and results.
- Questions about number of issues resolved in the 1980s proceedings and what ones were unresolved. It was suggested that it would be better if the issues were resolved by the time the license application is filed.
- Concern by state agencies that under a dispute process with FERC only mandatory conditioning agencies can initiate a dispute filing and this does not give equal footing to state agencies in the process.

- Discussion about how AEA is going to work with other state agencies with respect to their requests for studies and if there are disputes among parties regarding study requests what the process would be to resolve disputes between AEA and state agency requests.
- Desire to see GAP analyses in order to inform parties about what studies might be needed and determining time and funding requirements for a licensing process.
- Questions about what level of interest or concern might precipitate the need to request a waiver from FERC in the ILP process; if just one agency has issues would that be enough for AEA to request a waiver.
- Mention and discussion that formal Interventions are only really possible at the time of the filing of a preliminary permit application or filing of a license application.
- A preliminary permit filing might be a helpful as a way to let the public be informed a licensing proceeding will be commencing.
- ADF&G would like at least a minimum of 30-days review on all work products – in general.
- 1980s data and studies might help licensing and associated studies proceed quickly or conversely could slow things down if there is extended debate regarding the adequacy of the earlier work to support the licensing of the current project.
- Hard to see if an ILP schedule would fit this project until parties can see what they are facing in terms of being able to go through previous studies, GAP analysis.
- General preference to meet after the GAP reports are issued, possible soon after so the consultants can brief the parties, and then provide some time for comments.
- Question if BLM lands are within the project area and if BLM has been contacted. It was noted that BLM did participate by telephone in the pre-GAP meeting.
- Discussion that ILP workgroups would probably be formed subsequent to filing of the NOI/PAD.

Action items to close the meeting were:

- Bryan Carey to send out an email to stakeholders on mailing list to solicit any further comments on licensing process decisions and concerns.
- AEA to get GAP aquatic and terrestrial reports out to agencies in July, and schedule a review meeting for August 18th, prior to the NHA regional meetings.

Kirby Gilbert, Sr. Regulatory Specialist, MWH

