



June 3, 2014

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Susitna-Watana Hydroelectric Project, Project No. 14241-000

Filing and Distribution of Initial Study Report

Dear Secretary Bose:

In accordance with Section 5.15(c) of the Integrated License Process (ILP) regulations of the Federal Energy Regulatory Commission (Commission or FERC), the Alaska Energy Authority (AEA) is pleased to file the enclosed Initial Study Report (ISR) for the Commission's licensing of the Susitna-Watana Hydroelectric Project, FERC Project No. 14241 (Project). The purpose of this ISR is to report on AEA's progress in implementing the Commission-approved Study Plan for the Project through the 2013 study season, and to establish AEA's plans for completing the Study Plan during the 2014 and 2015 study seasons.

Since the Commission's study plan determinations issued in February and April 2013,¹ AEA has proceeded to implement the Study Plan approved by the Commission. The ISR details AEA's progress with each of the 58 individual studies. Specifically, for each study, the ISR:

- Reports on the methodologies employed and the results achieved through the 2013 study season;
- Identifies variances in methodologies from the Commission-approved Study Plan employed in 2013, including for each variance an explanation of how AEA is meeting study objectives in light of such variances;
- Evaluates how the data collected through the 2013 study season compare to historical scientific data in the Project area;
- Describes the modifications to the Study Plan that AEA will employ when completing the Study Plan in 2014 and 2015; and
- Specifies AEA's plans for the 2014 and 2015 study seasons.

¹ See Study Plan Determination for the Susitna-Watana Hydroelectric Project, Project No. 14241-000 (issued Feb. 1, 2013); Study Plan Determination on 14 Remaining Studies for the Susitna-Watana Hydroelectric Project, Project No. 14241-000 (issued Apr. 1, 2013); Director's Formal Study Dispute Determination, Project No. 14241-000 (issued Apr. 26, 2013).

Consistent with its assurances to Commission staff and licensing participants that its prior distribution of a draft ISR earlier this year would seek to avoid a duplication of effort upon the filing of the final ISR,² AEA has structured the ISR to segregate new content from the content that licensing participants already have received in the draft ISR. Specifically, for each of the individual studies, Part A reproduces the contents of the draft ISR.³ Part B includes any new supplemental information or errata with respect to Part A. Finally, Part C includes an updated executive summary for the study, as well as new material detailing AEA's plans for completing the study.⁴

The ISR begins with a brief overview document, which summarizes the progress made to date in the licensing of the Project and includes a description of AEA's methodology for developing its plans for a limited study season in 2014. As explained in the overview document, AEA's 2014 limited study program will focus on essential gap-filling studies; continued monitoring and surveys reliant upon equipment already deployed (e.g., wildlife monitoring); time-consuming modeling work; and studies in which licensing participants have largely agreed on the scope, methods, and level of effort.

In accordance with the Commission's Integrated Licensing Process regulations and the licensing schedule for this Project, licensing participants have an extended period of approximately 135 days⁵—significantly longer than the 15 days provided under the Commission's ILP regulations⁶—to review the ISR before AEA holds a series of meetings on the ISR, which will begin the week of October 13. The dates for these meetings appear in the attached ISR overview document, and additional details on these meetings will be posted to the "Meetings" tab of the Project website, <http://www.susitna-watanahydro.org/meetings/>, closer to the meeting dates.

Following the ISR meetings, AEA will file a meeting summary, and licensing participants will have until November 30, 2014 to file comments on the ISR meeting summary, including any proposed new or modified studies.

This ISR was greatly aided by the extensive involvement and technical input provided by Commission staff, federal and state resource agencies, Alaska Native regional and village corporations, environmental organizations, individuals, and other licensing participants. The exchange of information during quarterly Technical Workgroup meetings, combined with numerous informal collaborative meetings and consultation, has strengthened AEA's implementation of the Study Plan. AEA

² See Draft Initial Study Report, Project No. 14241-000 (filed Feb. 3, 2014).

³ Other than removing the executive summary, removing the "draft" designation, and other ministerial changes, AEA made no changes to the contents of Part A since the draft ISR.

⁴ The only exception to this structure is the Glacial and Runoff Changes Study (Study 7.7), which is now a completed study report.

⁵ See Letter from Jeff Wright, Federal Energy Regulatory Commission, to Wayne Dyok, Alaska Energy Authority, Project No. 14241-000 (issued Jan. 28, 2014).

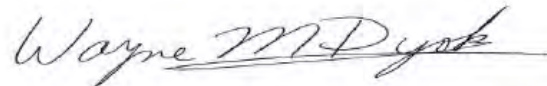
⁶ 18 C.F.R. § 5.15(c)(2).

appreciates the active interest and involvement of all licensing participants and looks forward to this ongoing engagement as AEA works to complete the Study Plan and prepare its license application for the Project.

Due to the size of the ISR, AEA is not distributing paper copies. Rather, licensing participants can access the ISR at the Project's website, <http://www.susitna-watanahydro.org/>, under the "Documents" tab. In addition, the ISR can be accessed on the Commission's eLibrary system, <http://www.ferc.gov/docs-filing/elibrary.asp>, under Docket No. P-14241. All available datasets generated in support of the ISR can be accessed at <http://gis.suhydro.org/reports/isr>. Upon request, AEA will provide the ISR and available datasets in CD format.

If you have questions concerning this submission please contact me at wdyok@aidea.org or (907) 771-3955.

Sincerely,

A handwritten signature in black ink that reads "Wayne M. Dyok". The signature is written in a cursive style with a horizontal line underneath.

Wayne Dyok
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Enclosure

cc: Distribution List (w/o Enclosure)

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