

**Susitna-Watana Hydroelectric Project  
(FERC No. 14241)**

**Regional Economic Evaluation Study  
Study Plan Section 15.5**

**Part D: Supplemental Information to  
June 2014 Initial Study Report**

Prepared for

Alaska Energy Authority



**SUSITNA-WATANA HYDRO**

*Clean, reliable energy for the next 100 years.*

Prepared by

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## 1. INTRODUCTION

Section 1 (Part A) of the June 2014 ISR for this Regional Economic Evaluation Study (Study Plan 15.5) details the development of this study from the Revised Study Plan (RSP) in 2012, through the end of the 2013 study season. Section 7 of the ISR (Part C), filed in June 2014, sets forth AEA's plan and schedule, at that time, for completing this study and meeting the objectives of the RSP.

As detailed in Section 2.2 of the ISR Part D Overview, various circumstances have required AEA to extend the original timeframe for completing the Commission-approved Study Plan. However, AEA has made meaningful progress with this Study 15.5 since the filing of the ISR in June 2014. As detailed below, AEA's recent activities for Study 15.5 have consisted of the following:

- The study team continued to develop and populate the Regional Economic Models Inc. (REMI) model.

The primary purpose of this Part D Supplemental Information to the ISR for Study 15.5 is to identify all documents associated with this study, provide a summary of variances and modifications presented in the ISR (Parts A and C), and identify AEA's plans for completing Study 15.5 in a manner that meets the objectives of the Commission-approved Study Plan.

## 2. BACKGROUND

### 2.1. Purpose of Study

The goal of the study is to assess potential changes in regional economic conditions in the study area resulting from the operation of the proposed Project and the power generated by the Project.

The study objectives are established in RSP Section 15.5.1:

- Describe the effects of the Project on the regional economy resulting from improvements in the reliability of the electrical power grid.
- Describe the effects of the Project on the stability of electric prices over time.
- Determine the economic effects of the Project's power over time.

### 2.2. Study Components

This study consists of the following components:

- Describe the effects of the Project on the regional economy resulting from improvements in the reliability of the current electrical power system.
- Describe the effects of the Project on the stability of electric prices over time.

- Determine the economic effects of the Project’s power over time (e.g., will the availability of Watana power attract new industry to the state or enable other industries to expand or commence operation?).

### 3. STATUS, HIGHLIGHTED RESULTS, AND ACHIEVEMENTS

The following tasks were completed in 2013 and reported in Part A of the ISR for Study 15.5:

- The study team obtained information on current power generation, transmission, and demand in the Railbelt from utilities or secondary sources.
- Data provided for each major Railbelt utility included the service area, installed capacity, and amount and cost of power sold.
- Progress was made in developing the REMI model assumptions for comparing future regional economic conditions with and without the Project.

The study team has completed the following activities for Study 15.5 since the June 2014 filing of the ISR:

- The study team continued to develop and populate the REMI model.

### 4. SUMMARY OF STUDY 15.5 DOCUMENTS

Since filing of the RSP in 2012, AEA and FERC have prepared several documents pertaining to this study. To aid review by FERC staff and licensing participants, each of these documents is listed below. Each of these documents is accessible on AEA’s Project licensing website (<http://www.susitna-watanahydro.org/type/documents/>) by clicking on the entry in the “Link” column in the table. In addition, these documents are available on FERC’s eLibrary system (<http://www.ferc.gov/docs-filing/elibrary.asp>), in Docket No. P-14241.

Title	Date	Description	Link
15.5 Regional Economic Evaluation Study (Revised Study Plan) and RSP Attachment 15-1 Regional Economic Evaluation Interview Protocol	12/14/2012	This document presents the plan for this study, including goals, objectives, the study area, and proposed study methods for the regional economic evaluation study.	<a href="#">RSP for Study 15.5</a>
FERC Study Plan Determination for Study 15.5	2/1/2013	This document presents FERC approval of Study 15.5, which approved AEA’s Revised Study Plan with no recommended changes.	<a href="#">FERC SPD for Study 15.5</a>

Title	Date	Description	Link
Draft Initial Study Report for Study 15.5	2/3/2014	This draft of the ISR summarized the study methods and variances during the 2013 study season, and presented preliminary data collected for Study 15.5. This draft ISR was later republished as Part A of the final ISR.	<a href="#">Draft ISR for Study 15.5</a>
Initial Study Report for Study 15.5	6/3/2014	This document is the Initial Study Report (Parts A, B and C) for Study 15.5. Part A republishes the Draft ISR. Part B identifies supplemental information and errata in Part A. Part C presents study modifications and plans for completing the study.	<a href="#">ISR Part A for Study 15.5</a> <a href="#">ISR Part B for Study 15.5</a> <a href="#">ISR Part C for Study 15.5</a>
Initial Study Report Meetings, October 21, 2014	11/15/2014	Transcripts and AEA's agenda and PowerPoint presentations for the ISR meeting concerning the Regional Economic Evaluation studies filed by AEA.	<a href="#">Transcripts from ISR Meeting</a> <a href="#">Materials from ISR Meeting</a>

## 5. NEW STUDY DOCUMENTATION SUPPLEMENTING THE ISR

Because the work and data analysis for this study are ongoing as of the filing of this ISR Part D, AEA has not prepared an implementation report for this Study 15.5 at this time. Thus, no additional reports or documents are available to supplement the ISR for Study 15.5.

## 6. VARIANCES

### 6.1. 2013 Study Season

As noted in Section 4 of the ISR (Part A) for this study, AEA encountered no variances when implementing this study in 2013.

### 6.2. 2014 Study Season

AEA encountered no variances when implementing this study in 2014.

## 7. STUDY PLAN MODIFICATIONS

### 7.1. Modifications Identified in ISR

As detailed in Section 7 of the ISR (Part C), AEA plans no modifications of the methods for this study.

## 7.2. Modifications Identified since the June 2014 ISR

Since the June 2014 ISR, AEA has not identified any modifications of the methods for this study.

## 8. STEPS TO COMPLETE THE STUDY

The steps necessary for AEA to complete this study are summarized below:

- Conduct executive interviews with business interests in the region and compile additional information on current power generation, transmission, and demand in the Railbelt.
- Continue to develop a REMI model to analyze changes in regional economic conditions resulting from the power-related effects of the Project. Much of the information collected for the REMI model used in this study will also be required for the Social Conditions and Public Goods and Services Study (ISR Study 15.6) and data collection efforts will be coordinated between the two studies. In addition, cost estimates, construction and operations employment, cost of power, and a number of other items will be required from the engineering and other feasibility studies that are underway as inputs to the REMI model.