

FEBRUARY 21, 2007
AGENCY MEETING SUMMARY

REGARDING
THE SOULE RIVER HYDROELECTRIC PROJECT

The Soule River Hydro Project agency meeting was held at the NMFS Regional Director Conference Room on the fourth floor of the federal building in Juneau, Alaska. The meeting began with a brief description of the current preliminary project design. Then a video taken on a field reconnaissance of the river conducted by AP&T on October 11, 2006, was shown.

Information the agencies expressed an interest in getting is:

- ✓ how close the road would be to the river
- ✓ do another eagle nest survey
- ✓ what is the study plan for fish surveying; when will it occur
- ✓ because the river is cataloged and there is a dispute about that accuracy of the cataloging, DNR-Habitat would like to go on at least one of the fish surveys
- ✓ how would we handle sediment buildup behind the dam
- ✓ how would we handle bedload behind the dam
- ✓ what is the market for the project's energy production

AP&T showed on the map (being projected on a screen) the location of the proposed road in relation to the river and the approximate site of a bridge crossing to get over to the south side. AP&T is in agreement with USF&WS that an eagle nest survey would be conducted. A description of the Fish Survey Study Plan was promised to be e-mailed to all the participants of this licensing process within a few days and that they would be kept in the loop on future communications regarding same as to when the survey would occur so that DNR-Habitat could accompany the survey team. At this time, because the project design is preliminary, the details for dealing with sediment and bedload buildup behind the dam has not been thought out, but it is recognized as something that will need to be addressed in the project design. The proposed market for the project is BC Hydro, Inc. in British Columbia, Canada.

AP&T asked for clarification from the agencies on where the U.S./Canada border was in Portland Canal because of concerns that the border might be misidentified on maps. The agencies will look into it. NMFS presented a map found in some report from 1975 that showed the river and its features, mentioning barriers, heavy silt, beaver ponds, etc. They will share this with AP&T via e-mail and AP&T will then e-mail it to all the participants. DNR-Habitat mentioned that the river, although cataloged, has no data justifying the cataloging. So they do not know how the designation was arrived at. For this reason, if it is necessary to de-list it, they want to be involved in the fish surveys to have on-site experience. AP&T asked for consideration from the agency representatives in determining how few of them would be necessary to go on a site visit for the reason of

reducing costs because of the sites remote location, which is essentially only accessible by helicopter. They will let AP&T know.

After discussing environmental items, the meeting moved onto the licensing process that AP&T would prefer to use, which is the Alternative Licensing Process (ALP) (referred to by AP&T during the meeting as the Applicant Prepared EA Process (APEA)). In simple terms, AP&T described some differences between the three different licensing processes and why the ALP would work best for this project. The primary reasons for using the ALP were:

- ✓ There would be no rigid timeline for everyone to meet for getting things accomplished with the ALP, unlike the new Integrated Licensing Process which has strict guidelines on the timeline.
- ✓ The applicant would have more flexibility also, and at this time is not ready for the process to start because they are still establishing the market to sell power too, so the ALP would allow the licensing process to move forward but at a pace set by the applicant and the agencies rather than by FERC.
- ✓ The experience of using the ALP for the Kasidaya Creek Hydroelectric Project, P-11588, currently being constructed near Skagway, was very good because it got the main issues put forth for determining what studies were necessary. This reduced time spent on the project by both the applicant and the agencies, reducing the cost for surveys and their review by all participants.
- ✓ Like the ILP, the ALP allows the agencies to be involved in the development of study plans and also to review the draft license application and draft EA; so that involvement is not lost by choosing the ALP.

The USFS stated that AP&T would need to fully justify why they want to use the ALP over the ILP to license the project when they submit the Notice of Intent (NOI) and Preliminary Application Document (PAD) to FERC. In the mean time the agencies will be submitting comment letters about entering into the ALP and agree or disagree with the communication protocol submitted to them last week. It was also suggested adding the Forest Service Regional Forrester to the mailing list.

FERC requested that AP&T use the PAD rather than the Initial Consultation Document, which is phased out.