

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

**Socioeconomic and Transportation Resources
Study Plan Section 15 Introduction**

Final Study Plan

Alaska Energy Authority



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15. SOCIOECONOMIC AND TRANSPORTATION RESOURCES

15.1 Introduction

This section outlines the study plans for socioeconomic, transportation, and air quality resources. The studies in these sections will address evaluation of regional economic effects as well as effects on social conditions and public goods and services.

15.2 Nexus Between Project Construction / Existence / Operations and Effects on Resources to be Studied

The construction and operation of the Project has the potential to affect social resources, including the local and regional economies; provision of public services by local, state and federal governments; air emissions and local and regional air quality; community health and safety; and traffic levels and capacity of transportation resources including roads, airports, rail, and local river transportation. The type, intensity, and extent of effects on these social resources need to be understood during the licensing process so that appropriate measures, if necessary to mitigate any Project effect, can be considered for incorporation into the Project license.

Some of the potential socioeconomic effects of the Project during the construction phase are related to the large number of construction workers that would be employed to build the Project and their potential impact on communities, public services, infrastructure, and temporary housing. The construction workforce is likely to be drawn from a broad region of Southcentral and Interior Alaska. The number of certain skilled occupations required for the Project may exceed the number of workers available within the state, which could lead to some in-migration of out-of-state workers and their families for some occupations, or such workers might commute from their current residences in other states.

Additional socioeconomic effects that could occur during the construction phase include increased job opportunities and income associated with local employment and through local expenditures by AEA, contractors, other utilities, and non-local construction workers. Also during construction, local government taxes (e.g., sales tax, hotel/motel occupancy tax) would be generated on items and services purchased in communities in the vicinity of the Project.

Project construction will also require the transportation of people, equipment, and materials to and from the construction worksite, which could result in increased rail, air, and road traffic volumes, disruption of normal traffic patterns, and possibly, associated noise and congestion effects. Such conditions may temporarily disrupt the transportation patterns of tourists and local travelers, especially in summer, and may require additional police and emergency response calls for traffic and other incidents.

Project construction would also result in new air emission sources in the vicinity of the Project and could have effects on local community health.

Once the project is operational, the availability of a major new energy source would affect the economy of the Railbelt area. The economic literature suggests that benefits accrue to regional economies from electric utility system improvements. The Project will generate electricity for a significant portion of the state's residents. While the final capital cost, financing, and other

information needed to estimate the cost of this electricity is still uncertain, it is known that the cost will be relatively stable for the life of the Project. In contrast, the cost of electricity generated from fossil fuels may rise over time. Therefore, at some point in time, savings may accrue to residential and industrial consumers of the electricity generated by the Project. These savings in energy costs could expand the regional economy by stimulating business activity and creating more disposable income for consumers to spend on purchases of other goods and services.

Project construction and operation may change the level of production of commercial farming, grazing, logging, mining, and fishing operations in the study area. In addition, Project operation, together with Project features (i.e., reservoir and access roads), could change fishing, hunting, and other recreation and subsistence opportunities, including the availability and accessibility of recreational and subsistence resources, and the quality of the recreational and subsistence experience. In turn, these changes could have an impact on tourism and other sectors of the local and regional economies. Project features that stimulate residential location, tourism, and other types of economic development may affect surrounding property uses and values. These changes could also affect community health through changes in diets and lifestyles.

New residents may be attracted to the study area by the Project features (i.e., reservoir and access roads) as well as additional business activity stimulated by the Project. This immigration could affect the demand for both housing and municipal and state services, such as police, fire protection, medical facilities, and schools. Local governments could see additional expenditures for these services and additional revenues based on increased property taxes from new land development.

Project construction activities and operations are likely to result in increased transportation demands that could affect the operation, maintenance, and use of local roadways, Alaska Railroad Corporation (ARRC) facilities, and airports. Air emissions during both construction and operations could change air quality locally, or in the event that the Project affects operations levels at other regional power plants, regionally. Project-related changes in water levels and ice formation could affect local use of the river for winter transportation. Project-related changes in water temperatures and levels, along with development of the dam and reservoir complex and transmission and road system, could alter some of the bio-physical attributes of the Susitna River system around which some residents of the Matanuska-Susitna valley have adapted lifestyles.

15.3 Resource Management Goals and Objectives

The proposed Project would occupy federal lands currently administered by the U.S. Bureau of Land Management (BLM) but selected by the State of Alaska under the Alaska Statehood Act, state lands administered by the Alaska Department of Natural Resources (ADNR), and private lands owned by Alaska Native Corporations and others. The Project site is within the Matanuska-Susitna Borough (MSB), which has adopted an Economic Development Strategic Plan that contains policies designed to support economic growth in the area.

Local government provision of public services is regulated under Title 29 of the Alaska Statutes as well as a variety of city and borough codes and management plans. The goals and objectives for management and use of state and federal lands are documented in area management plans. These plans are designed to allow use of public lands that is compatible with the purposes and uses identified for the lands in the management plans.

Surface and aviation transportation resources in the Project area are managed under the MSB Long-Range Transportation Plan, as well as under the Alaska Department of Transportation & Public Facilities (ADOT&PF) Statewide Transportation Policy Plan. Rail facilities are managed under Federal Railroad Administration regulations and the state code. All of these agencies work together to ensure that appropriate types and levels of transportation facilities are available to provide for the safe and efficient movement of people and goods to support the state's economy and quality of life.

Air quality is regulated by the Alaska Department of Environmental Conservation (ADEC) and the Environmental Protection Agency (EPA). These regulations are designed to maintain air quality to support public health.

Public health issues in Alaska are monitored by the Alaska Department of Health and Human Services (DHSS), Division of Public Health. Although DHSS does not regulate public health effects from development projects, it does conduct Health Impact Assessments (HIAs) as a best management practice to ensure that decision-makers have information on potential human health effects from development projects.

15.4 Summary of Consultation with Agencies, Alaska Native Entities and Other Licensing Participants Regarding Revised Study Plan Development

Consultation efforts to date have included discussions with agency representatives, Alaska Native entities, and other licensing participants through informal consultation and at the Project Technical Workgroup Meetings held on August 8, 2012, September 20, 2012, and October 3 & 17, 2012.

Summary tables of comments and responses from formal comment letters filed with FERC through November 14, 2012 were provided in the Revised Study Plan (RSP) Appendix 1, filed December 14, 2012. Copies of the formal FERC-filed comment letters were included in RSP Appendix 2. In addition, a single comprehensive summary table of comments and responses from consultation, dated from PSP filing (July 16, 2012) through release of Interim Draft RSPs, were provided in RSP Appendix 3. Copies of meeting summaries from release of the PSP through the interim draft RSP were included in RSP Appendix 4, organized chronologically. The term used in these study plans refers to the AEA Project team which consists of consultants, AEA staff and some other State agency staff who are performing studies for AEA.

Consultation subsequent to the filing of the RSP is described within each Final Study Plan (FSP).