



SUSITNA-WATANA HYDROELECTRIC PROJECT

Formal ILP Proposed Study Plan Review

August 8, 2012

Prepared by Northern Economics, Inc.



Socioeconomic Proposed Studies

- Regional Economic Evaluation Study
- Social Conditions and Public Goods and Services Study

Regional Economic Evaluation Study Goals and Objectives

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

Regional Economic Evaluation Study Area

Concentrated in Railbelt

- Fairbanks North Star Borough
- Denali Borough,
- Matanuska-Susitna Borough
- Municipality of Anchorage
- Kenai Peninsula Borough



Regional Economic Evaluation Study Methods

- Published data on existing conditions
- Interviews with knowledgeable persons
- Regional Economic Models, Inc. (REMI) used to estimate future socioeconomic conditions
- Regional Integrated Resource Plan energy generation scenarios



Regional Economic Evaluation

Expected Results

- Potential changes in regional economic conditions resulting from Project power generation
- Assessment of Project power-related economic effects
- Contribute to the cumulative effects scenarios

Relationship of Regional Economic Evaluation to other Studies

- Social Conditions - Public Goods & Services
- Developmental Analysis
- Feeds into cumulative effects studies



Regional Economic Evaluation 2012 Activities

- No studies proposed for 2012
- Meeting with Alaska Department of Community, Commerce, and Economic Development to review socioeconomic methods

Regional Economic Evaluation Study Questions/Concerns

- Most related to Social Conditions - Public Goods & Services Study

Social Conditions -Public Goods & Services

Goals and Objectives

- Evaluate Project effects on affected communities
 - employment/income
 - housing
 - local government revenues/expenditures
 - local and regional economy
 - recreation and subsistence use
 - quality of life
 - other social conditions



Social Conditions - Public Goods & Services Study Area

- Primarily Project vicinity
- Southcentral Alaska/Railbelt
 - MOA, FNSB, Valdez-Cordova Census Area, KPB, Yukon-Koyukuk Census Area, MSB, Denali Borough
- Some effects may be regional or national
- Study request for national-level economic valuation
 - Focus is on waterway and reasonably connected interests

Social Conditions - Public Goods & Services

Study Methods

- Published data on existing conditions
- Regional Economic Models, Inc. (REMI) used to estimate future socioeconomic conditions
- Fiscal impact analysis
- Recreational use values analysis
- Subsistence use values analysis
- Informal interviews re. local resident values, attitudes, and preferences

Social Conditions - Public Goods & Services

Study Methods

- Study request for economic evaluation of effects on ecosystem goods and services
- Proposed analysis addresses both market and nonmarket values
- Monetized and non-monetized measures of changes in ecosystem goods and services
- Focused on reasonably foreseeable significant impacts, not remote or highly speculative consequences

Social Conditions - Public Goods & Services

Expected Results

- Potential changes in social conditions
- Potential effects on public goods and services
- Potential effects on ecosystem goods and services
- Information for cumulative effects analysis



Relationship of Social Conditions - Public Goods & Services Study to other Studies

- Regional Economic Evaluation
- Recreation Resources Study
- Subsistence Resources Study
- Health Impact Assessment
- Transportation Resources Study
- Will also draw on results of other biological, physical, and cultural studies



Social Conditions - Public Goods & Services 2012 Activities

- No 2012 studies proposed
- Some coordination with Recreation and Subsistence 2012 studies



Social Conditions and Public Goods and Services Study Questions/Concerns

- Geographical extent; national economic evaluation
 - Visitors to the Susitna River watershed from around the country will be surveyed
- Ecosystem services
 - Combination of monetary and non-monetary estimates