



February 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 Draft Initial Study Report**

Dear Secretary Bose:

The Alaska Energy Authority (AEA) is pleased to file with the Federal Energy Regulatory Commission (Commission or FERC) the enclosed draft Initial Study Report (ISR) for the Commission's licensing of the Susitna-Watana Hydroelectric Project, FERC Project No. 14241 (Project). The purpose of this draft ISR is to report on AEA's progress in implementing the Commission-approved Study Plan for the Project through the 2013 study season.

Since the Commission's study plan determinations issued in February and April 2013,<sup>1</sup> AEA has made exceptional progress in implementing the Study Plan approved by the Commission. During the study season, an estimated 350 scientists, archaeologists, biologists, and other specialists worked in the field, collecting water samples, radio tagging fish, studying cultural resources, investigating terrestrial and botanical resources, surveying the recreating public, and much more. Additional scientists and researchers conducted literature reviews, analyzed data, and commenced several complex, analytical modeling efforts.

The draft ISR details AEA's progress with each of the 58 individual studies by reporting on the methodologies employed and the results achieved. The individual study reports also identify any variances in methodologies from the Study Plan approved by the Commission, discuss how AEA and its numerous study teams are meeting study objectives in light of such variances, and evaluate how the data collected through the 2013 study season compare to historical scientific data in the Project area.

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<sup>1</sup> 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).

Although the Commission's recent letter order granting AEA's request to extend the deadline for filing the ISR does not require AEA to file this draft ISR,<sup>2</sup> AEA believes that prompt distribution of a draft ISR at this time will facilitate greater, more informed engagement in the Integrated Licensing Process (ILP) by all participants. Having the immediate opportunity to review study results and supporting data will give all licensing participants more time to review and become familiar with this extensive record. It is AEA's hope that this approach will allow for an efficient review of the final ISR to be filed by June 3, 2014 and enable more targeted, focused discussions on study issues during the ILP meetings and comments that will follow.

AEA recognizes that several licensing participants, when responding to its ISR extension request, raised concerns that a process involving a draft and final ISR could require a duplication of effort and create additional work during the busy summer season. AEA would like to clarify that it does not anticipate significant changes to the information included in this draft ISR.<sup>3</sup> Sections 1 through 6 in each of the 58 individual study reports discuss methodologies, variances, and results of work through the 2013 study season. Because this work is completed and reported, AEA does not expect these sections to significantly change in the final June 3 ISR.<sup>4</sup> Through AEA's release of this draft ISR, licensing participants can review what AEA expects to be the most extensive sections of each study report now.

AEA intentionally excluded from this draft ISR any discussion of its specific plans for completing the Study Plan, including any proposed modifications. This information will be presented in Section 7 of each individual study report in the final June 3 ISR. Because this new information in the final ISR will be additive to this draft ISR, AEA does not believe that releasing the draft ISR now will require a duplication of effort or unduly burden licensing participants.

AEA will be scheduling public informational meetings on the study results, which will be timed to permit licensing participants the opportunity to review the draft ISR prior to the meetings. AEA believes that these meetings will provide a useful forum for participants to ask questions regarding these studies, discuss study results, and possibly identify mutually agreeable modifications that can be incorporated into the Study Plan.

Due to the size of the draft ISR, AEA is not distributing paper copies. Rather, licensing participants can access the draft ISR at the Project's website,

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<sup>2</sup> See Letter from Jeff Wright, Federal Energy Regulatory Commission, to Wayne Dyok, Alaska Energy Authority, Project No. 14241-000 (issued Jan. 28, 2014).

<sup>3</sup> Some minor changes to the information in this draft ISR may be appropriate when preparing the final June 3 ISR, for example, if needed for clarification based on input from resource agencies or other licensing participants.

<sup>4</sup> AEA notes that although some high-priority studies will be progressing in 2014 in accordance with the Commission-approved Study Plan, any new information generated by this ongoing work will not be reported in the final June 3 ISR. Rather, as additional data generated from these ongoing studies are finalized, AEA will make data available on its Project licensing website, and AEA will report on these studies in the Updated Study Report, to be filed in early 2016.

<http://www.susitna-watanahydro.org/>, under the “Documents” tab. In addition, the draft 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 draft ISR can be accessed at <http://gis.suhydro.org/reports/isr>. Upon request, AEA will provide the draft ISR and available datasets in CD format.

In conclusion, AEA acknowledges that this achievement 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 appreciates the active interest and involvement of all licensing participants and looks forward to this ongoing engagement as AEA continues to implement the Study Plan and complete the environmental study phase of the licensing process.

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

Sincerely,

A handwritten signature in cursive script that reads "Wayne M Dyok". The signature is written in black ink and is positioned above the printed name and title.

Wayne Dyok  
Project Manager  
Alaska Energy Authority

Enclosure

cc: Distribution List (w/o Enclosure)

**Draft Initial Study Report  
List of Individual Studies**

<b>Study Plan Section No.</b>	<b>Title</b>
4.5	Geology and Soils Characterization Study
5.5	Baseline Water Quality Study
5.6	Water Quality Modeling Study
5.7	Mercury Assessment and Potential for Bioaccumulation Study
6.5	Geomorphology Study
6.6	Fluvial Geomorphology Modeling Below Watana Dam Study
7.5	Groundwater Study
7.6	Ice Processes in the Susitna River Study
7.7	Glacier and Runoff Changes Study
8.5	Fish and Aquatics Instream Flow Study
8.6	Riparian Instream Flow Study
9.5	Study of Fish Distribution and Abundance in the Upper Susitna River
9.6	Study of Fish Distribution and Abundance in the Middle and Lower Susitna River Study
9.7	Salmon Escapement Study
9.8	River Productivity Study
9.9	Characterization and Mapping of Aquatic Habitats
9.10	The Future Watana Reservoir Fish Community and Risk of Entrainment Study
9.11	Study of Fish Passage Feasibility at Watana Dam
9.12	Study of Fish Passage Barriers in the Middle and Upper Susitna River and Susitna Tributaries
9.13	Aquatic Resources Study Within the Access Alignment, Transmission Alignment, and Construction Area
9.14	Genetic Baseline Study for Selected Fish Species
9.15	Analysis of Fish Harvest in and Downstream of the Susitna-Watana Hydroelectric Project Area
9.16	Eulachon Run Timing, Distribution, and Spawning in the Susitna River
9.17	Cook Inlet Beluga Whale Study
10.5	Moose Distribution, Abundance, Movements, Productivity, and Survival
10.6	Caribou Distribution, Abundance, Movements, Productivity, and Survival
10.7	Dall's Sheep Distribution and Abundance
10.8	Distribution, Abundance, and Habitat Use by Large Carnivores
10.9	Wolverine Distribution, Abundance, and Habitat Occupancy
10.10	Terrestrial Furbearer Abundance and Habitat Use
10.11	Aquatic Furbearer Abundance and Habitat Use
10.12	Small Mammal Species Composition and Habitat Use
10.13	Bat Distribution and Habitat Use
10.14	Surveys of Eagles and Other Raptors
10.15	Waterbird Migration, Breeding, and Habitat Use

<b>Study Plan Section No.</b>	<b>Title</b>
10.16	Landbird and Shorebird Migration, Breeding, and Habitat Use
10.17	Population Ecology of Willow Ptarmigan in Game Management Unit 13
10.18	Wood Frog Occupancy and Habitat Use
10.19	Evaluation of Wildlife Habitat Use
10.20	Wildlife Harvest Analysis
11.5	Vegetation and Wildlife Habitat Mapping Study in the Upper and Middle Susitna Basin
11.6	Riparian Vegetation Study Downstream of the Proposed Susitna-Watana Dam
11.7	Wetland Mapping Study in the Upper and Middle Susitna Basin
11.8	Rare Plant Study
11.9	Invasive Plant Study
12.5	Recreation Resources Study
12.6	Aesthetic Resources Study
12.7	River Recreation Flow and Access Study
13.5	Cultural Resources Study
13.6	Paleontological Resources Study
14.5	Subsistence Resources
15.5	Regional Economic Evaluation Study
15.6	Social Conditions and Public Goods and Services Study
15.7	Transportation Resources Study
15.8	Health Impact Assessment Study
15.9	Air Quality Study
16.5	Probable Maximum Flood (PMF) Study
16.6	Site-Specific Seismic Hazard Study