

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF RESEARCH & DEVELOPMENT

02-8277.0  
JAY S. HAMMOND, GOVERNOR

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Pouch 7-005

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ANCHORAGE, ALASKA ~~99510~~ 99510

March 5, 1982

Eric Yould  
Executive Director  
Alaska Power Authority  
334 West 5th Avenue  
Anchorage, Alaska 99501

Dear Mr. Yould:

RECEIVED  
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Alaska Dept. of Fish & Game  
Sport Fish/Susitna Hydro

In the past 18 months, the Susitna Hydroelectric Steering Committee (SHSC) has reviewed many aspects of the Susitna Hydroelectric Feasibility Plan of Study. We have been briefed by, and have consulted with many of the Acres American, Inc., contractors and subcontractors. On November 21, 1980, the SHSC transmitted to APA a comprehensive review of the entire Task 7 (environmental and socio-economic) Plan of Study for the proposed Susitna Hydroelectric Project. During the summer of 1981, most of the SHSC members participated in a field trip to the proposed dam sites and to some of the field camps where investigations were ongoing.

As a result of these and other Susitna Hydroelectric related meetings and discussions, the members of the Steering Committee are probably the best informed representatives of those agencies who will participate in the decision making and permitting process. The SHSC members believe it is desirable to identify the most important issues prior to the issuance of the draft feasibility study for review and comment. We hope this will achieve three things: (1) provide a basis for agreement between SHSC and the Alaska Power Authority on the status of important Task 7 issues and concerns; (2) provide the vital information to those not well informed so they can be aware when they review the findings provided in the draft feasibility study; (3) where appropriate, to identify potential remedial actions to the APA to minimize if not resolve the concerns that are raised.

The process that the SHSC went through in creating this letter was to request all the SHSC members to compile a list of issues and concerns that merited attention of the APA. This list was then drafted, reviewed, and approved by the SHSC members.

The issues identified below have been placed in two categories. The first entitled "Overall Study Approach" deals with those issues and concerns which transcend specific studies. These concerns are not entirely in the scope of the feasibility study contract or necessarily the sole responsibility of the Power Authority. However, the decisions the APA and Legislature may make with respect to the Susitna project in the next 60 days could obviate these concerns. The other category is entitled "Study Specific Issues" and is self-explanatory.

The following are the overall study approach problems identified:

#### OVERALL STUDY APPROACH

1. The most urgent and most important issue is the relationship between the timing of findings from studies conducted by Acres American and its subcontractors and when the State of Alaska will decide whether to build Susitna. The problem is that existing law may result in a decision by the state as to whether the dams should be built before the socio-economic and environmental costs, impacts, and trade-offs are known. Although the March 15, 1982, Susitna Hydroelectric Feasibility Study may assist in determining if the dams can be built in a narrow technical (engineering and constructability) sense, it cannot speak to significant public policy questions such as:

a. is it in the best interests of Alaskans to use their money to build the dams?

b. what are the environmental and socio-economic impacts and trade-offs that have to be made if it is decided to build the dams?

In determining answers to such questions, there are accepted methods which should be rigorously applied. No one would consider building the Susitna dams without answering all questions about soils stability and earthquake hazards. The same level of assured knowledge needs to be acquired to answer questions about environmental and socio-economic effects of the dams.

This issue may be outside the scope of the Acres contract and the sole purview of the Power Authority. A combined effort of the Power Authority and the Governor's Office may be needed to comprehensively frame the issue and devise methods to deal with them.

2. There appears to be a lack of necessary coordination between the various study tasks. Unless extraordinary corrective efforts are made, it is unlikely that an integrated, relevant, and complete environmental assessment which is acceptable to state and federal agencies and to the Federal Energy Regulatory Commission (FERC) will be produced. This need was identified early by the SHSC. The November 21, 1980, review of the Plan of Study says: "The Steering Committee members believe the most compelling need is for a well conceived process to improve the linkage and coordination of the various studies." As an example of this, I refer you to point number 1 below.

The following are studies specific issues:

#### SPECIFIC ISSUES

1. A coherent and coordinated Fish and Wildlife mitigation policy and plan needs to be established immediately. It is our understanding that, unlike the wildlife mitigation options, the fisheries mitigation options

and the overall Susitna Hydroelectric Project fish and wildlife mitigation policy have yet to produce an agreed upon product. The following issues still require resolution: agreement on mitigation policy, agreement on the roles definition of the APA, the agencies with fish and wildlife authority and expertise, the Federal Energy Regulatory Commission (FERC), and those agencies with land and water management authority. Until these issues have been resolved, determination of the full costs and impacts of the proposed Susitna Hydroelectric project are not possible. Failure to settle these issues will dramatically increase the probability of delay in action by the FERC, unnecessary confrontation between the APA and government management and regulatory agencies and litigation in the courts. Once resolution of the identified issues occurs, the FERC application process may be the appropriate forum to resolve specific mitigation issues.

2. There is a lack of information to describe the relationship between various stream flow levels and the productivity of fisheries and aquatic habitat downstream from the proposed Devil Canyon Dam. Exhibit E of the FERC application for license requires quantification of the anticipated downstream impacts.

3. The fisheries studies have not been going on long enough to acquire the comprehensive data and knowledge needed to assess project impacts. This, coupled with inadequate instream flow studies, provides for a less-than-satisfactory answer to questions on the impact of the proposed hydroelectric project on fishery populations.

4. Wildlife studies and wildlife mitigation appear much further developed than the fisheries issues described above. However, there are issues yet to be resolved in the wildlife area. I refer you to the February 16, 1982, letter from the Department of Fish and Game to Robert Mohn of APA. It appears that additional work is needed to identify realistic mitigation measures for lost wildlife habitat and on relating wildlife use of an area to habitat the characteristics.

5. Public review of the Phase I environmental reports and of most mitigation options discussion papers is now scheduled to occur separately from the distribution and public review of the draft feasibility report. We do understand that the decision to delay for 90 days the application for a license to FERC (assuming that that is the decision from the State of Alaska), the public and agencies will be provided the opportunity to review the detailed study results and data reports for a period of 60 days before final agency comments on the feasibility study are due.

6. The Fairbanks-to-Anchorage Intertie study and the Susitna feasibility study should be integrated. We suggest that the intertie assessment be included in the Susitna feasibility study review package.

7. The decision on access to the dam sites and the policies surrounding their use after construction will be one of the most significant impacts

of the project. The Yukon River to Prudhoe Bay Haul Road built in conjunction with the construction of the Trans-Alaskan oil pipeline is a comparable situation. There is no need to restate the comments made by the SHSC and their parent agencies to the APA on this matter. However, it is appropriate to identify two of the major issues with respect to the access question. First, APA's need to begin construction of a pioneer road prior to FERC licensing of the dams raises some serious public policy issues. Second, the decision as to the mode of access (rail versus conventional road) may well be the determining factor for the extent and type of public access once construction is completed.

8. The socio-economic implications of the availability of 1600 megawatts of electrical power in the railbelt region of Alaska need to be fully described and discussed in a public forum. It would appear that this amount of electrical energy could result in industrialization and socio-economic impacts on the same order of magnitude as would petrochemical development. Because the State of Alaska is sponsoring this hydroelectric proposal, it is incumbent upon the state to provide and present in a public forum, information regarding the end use of the power and advantages and disadvantages of the socio-economic impacts of this end use. The SHSC recommends consideration of an approach similar to that which was done for the Dow-Shell petrochemical proposal.

The SHSC will be advising their respective parent agencies of the contents of this letter in order to insure that formal agency comments to the proposed Susitna feasibility study fully address the issues and concerns detailed above. In order to alleviate the problems identified above, the SHSC recommends the following: (1) The APA should take an interdisciplinary interagency approach in identifying ways to improve coordination of the environmental and socio-economic studies to insure that the scope of and the methodology used in the studies are acceptable and germane. This approach should be funded and staffed appropriately and should have the responsibility, authority and independence to accomplish this objective. (2) The draft instream flow study plan should be updated and made public to provide opportunity for agencies and other groups to participate in the development of the necessary instream flow studies. (3) Comprehensively evaluate all potential and secondary impacts to fish and wildlife both above and below the Devil Canyon and Watana Dam sites. (4) Provide public participation opportunities to: inform the public of the feasibility study and the socio-economic impacts of this project and to provide an opportunity for the public to give comments and advice to the Power Authority Board of Directors before the state determines what course of action it should take on this project.

Because of the nature of some of these suggestions as well as the extent of discussion we anticipate will be required before APA and its ....

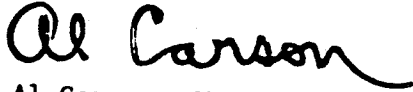
Eric Yould

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March 5, 1982

contractors fully comprehend our concerns, the SHSC is prepared to meet with you, your staff and contractors whenever you wish.

Sincerely,



Al Carson, Chairman  
Susitna Hydroelectric Steering Committee

cc: SHSC Members  
Charles Conway, Chairman, APA  
Ernest Mueller, Commissioner, Dept of Environmental Conservation  
Ronald Skoog, Commissioner, Dept of Fish & Game  
John Katz, Commissioner, Dept of Natural Resources  
Lee McAnerney, Commissioner, Dept of Community & Regional Affairs  
Curtis McVee, State Director, Bureau of Land Management  
Robert McVey, Regional Director, National Marine Fisheries  
Keith M. Schreiner, Regional Director, US Fish & Wildlife Service  
Reed Stoops, Director, Division of Research & Development  
S. Leopold  
Quentin Edson, FERC