

A Statement on Susitna-Watana Hydroelectric Project

By

Mr. Chairman Short

Imagine being able to lock-in stable electric rates for 100-years. It would be like knowing what you're going to pay at the pump to fill up your car decades from now. Not only does Alaska have the opportunity to provide stable and reliable power, as a state, we have the opportunity to build economic strength for generations to come.

The Susitna-Watana Hydroelectric Project will diversify Alaska's energy portfolio and move the state toward its Energy Policy goal of having 50 percent renewable electric energy sources by 2025.

As the cost of energy continues to increase statewide, long-term, stable sources of energy are important. Much of the generation and transmission infrastructure of the Railbelt is aging and in need of replacement. The retiring of the older generation will create a substantial new demand for Railbelt generation 10 to 20 years from now, regardless of electricity demand increases.

The Susitna Basin was extensively studied during the licensing process of the 1980s Susitna Hydroelectric Project, including more than 3,500 individual study reports on the river system, wildlife and resources in the region. In 2011, data gap analyses were performed in to identify what is known about the project area and any necessary additional studies. As we move forward Susitna Basin will be one of the best understood and more studied in the state.

The proposed Susitna-Watana Hydroelectric Project dam would be located at river mile 184, roughly 90 river miles northeast of Talkeetna and above Devils Canyon. The Watana Dam height is expected to be about 700 feet above bedrock, but that continues to be refined as the project evolves.

The river flows from Watana Canyon into Devils Canyon, the narrowest and steepest reach on the Susitna River. Devils Canyon rapids form a natural barrier to the migration of pink, chum, coho and sockeye salmon. Only a few Chinook salmon have been documented migrating above Devils Canyon. Field work on Chinook studies will begin this year.

Preliminary studies indicate that the surface powerhouse should have a nominal installed capacity of about 600 megawatts (MW). However, optimization studies are ongoing. Recent studies have placed the annual generation of the plant at 2.5 million MWh. This amount is nearly 50 percent of the Railbelt's current annual generation.

The current plan is to maximize firm energy of the Susitna-Watana Hydroelectric Project during the critical winter months of November through April. The project would operate in a load-following mode, meaning that the amount of electric power generated would adjust as the demand for Railbelt energy fluctuates throughout a day. Load-following would be based on environmental constraints established during the licensing process and will provide flexibility to utilities to respond to demand.

The Alaska Energy Authority (AEA) filed the Preliminary Permit Application for the Susitna-Watana Hydroelectric Project with the Federal Energy Regulatory Commission on Oct. 27, 2011, and the Pre-Application Document (PAD) on Dec. 29, 2011, beginning the formal Integrated Licensing Process (ILP) process. The ILP is the default FERC licensing process for hydropower projects and this process is anticipated to take six years.

In order to facilitate the licensing process, AEA will conduct select studies in 2012 and FERC-approved study plans will be executed in 2013 and 2014. The license application will be filed in 2015, with the FERC license anticipated early in 2017. Construction would begin later that year and the project would be commissioned in 2023.

AEA has proven success in hydroelectric power from Bradley Lake. The Bradley Lake project went into commercial operation at 1991 at 4.5 cents per kWh, the same rates as today. This is the lowest –cost generation in the Railbelt and the project operates in concert with the natural resources. That's the benefit of hydroelectric power: long-term energy price stability.

The Susitna-Watana Hydroelectric Project is critical to not only our generation, but our children and grandchildren and your feedback is essential to the successful project development. FERC public scoping meetings will be held March 26 in Anchorage; March 27 in Anchorage and Wasilla; March 28 in Talkeetna and Glennallen and March 29 in Fairbanks and Cantwell.

Information is updated frequently at Susitna-watanahydro.org, including meeting schedules,

notes, documents and sign-up for email notices.

As much of the state faces rising energy costs and declining supply, we must invest in our future and make firm commitments to the success of generations to come; not just in Southcentral Alaska, but the entire Railbelt.

Hugh Short, Chairman
Alaska Energy Authority