

October 8, 2024

Ms. Debbie-Anne A. Reese, Acting Secretary
Office of the Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 29426

Re: Tyee Lake Hydroelectric Project, FERC No. 3015
Draft Application for Capacity Amendment to License, Preliminary Draft
Environmental Assessment for the installation of Third Unit in Existing Bay at
Powerhouse

Invitation to Joint Agency/Public Meetings to be held on November 14, 2024
Request to Submit Agenda Topics for Joint Agency/Public Meetings
Request to be Designated Non-Federal Representative

Dear Secretary Reese:

On behalf of Southeast Alaska Power Agency (SEAPA), licensee for the Tyee Lake Hydroelectric Project, FERC No. 3015 (Project), Kleinschmidt proposes to file an Application for Capacity Amendment to License (Amendment Application) with the Federal Energy Regulatory Commission (Commission or FERC) to enable SEAPA to install an additional 10-megawatt (MW) hydroelectric Pelton-style turbine-generator (Third Unit) in the existing empty bay in the powerhouse. Because of the minimal impacts from the Proposed Action and the desire for timely action, SEAPA proposes to expedite this amendment application by seeking waivers of compliance with a portion of consultation requirements from resource agencies and Alaska Native tribes.

The Tyee Lake Project was designed and constructed with two 10-MW units and an empty bay for a third unit under a license issued by FERC in 1981. The 20-MW Project, located at the head of Bradfield Canal, approximately 40 miles southeast of the city of Wrangell, Alaska, began operations in May 1984. When constructed, the Tyee Lake Project provided for the near-term load needs of Wrangell and Petersburg but was designed and constructed with provisions to add a third generating unit to meet future demands. In 2009, SEAPA completed the 57-mile-long Swan-Tyee Intertie connecting the Tyee Lake Hydroelectric Project to SEAPA's Swan Lake Hydroelectric Project (FERC Project No. 2911) and the community of Ketchikan. SEAPA coordinates the operation of its Tyee Lake and Swan Lake hydroelectric projects to maximize output and optimize water resources to provide power to the three communities.

The electricity demand of the communities of Wrangell, Petersburg, and Ketchikan currently exceeds the capacity of the region's hydroelectric projects, including SEAPA's total installed capacity of 48-MW at the Tyee Lake and Swan Lake projects, during portions of the year. The electricity demand that cannot be met by the hydro projects is provided by the community utilities through diesel generation. There has been an ongoing trend of converting heating oil to electric heat pumps and significant investments to continue are underway. The 2028 energy demand projection exceeds the sources of generation and growing electrification of transportation and potential installation of shore power at cruise ship berths would further increase energy demands.

Addition of the third unit would provide added generation to meet current and future demands and reduce the need for and reliance on diesel generation, and would also increase operational flexibility, increase reserves and system reliability, and provide redundancy to the two existing units.

Since the Tyee Lake Project was designed and constructed with provisions for a third unit, it is cost-effective and the least environmentally damaging alternative for meeting the growing energy demand in the region. As proposed, the addition of the third unit would not require modifying the upper or lower operating range of Tyee Lake, increasing the storage capacity at Tyee Lake, or obtaining additional water rights.

Document Distribution

In accordance with FERC regulations and the requirements of the National Environmental Policy Act (NEPA), the first step in the FERC pre-filing consultation process is for SEAPA to provide an Initial Consultation Document for review and comment. This Initial Consultation Document consists of SEAPA's Draft Amendment Application for Capacity Amendment to its existing license. This document includes an Exhibit E in the form of a Preliminary Draft Environmental Assessment (PDEA) to provide information pertinent to the Project and the proposed installation of the third unit to FERC, federal and state resource agencies, local governments, Alaska Native tribes, Alaska Native Claims Settlement Act (ANCSA) corporations, non-governmental organizations, SEAPA's cooperative membership, and other interested persons and organizations in the proceeding, as set forth on the attached distribution list. A copy of this draft amendment is being distributed to stakeholders concurrently with this FERC filing.

All materials related to this Draft Amendment Application and PDEA are also available on SEAPA's website ([Southeast Alaska Power Agency | SEAPA \(seapahydro.org\)](https://seapahydro.org)). Notice of this filing will be published in the local newspaper no later than October 18, 2024. The electronic files can also be downloaded through FERC's e-Library by searching under the Project's docket P-3015.

Invitation to Participate in the Joint Agency/Public Meetings on November 14, 2024

SEAPA invites interested parties and FERC to attend and participate in the Joint Agency/Public Meetings to be held on November 14, 2024. The purpose of these meetings will be to discuss the proposed addition of the third unit with regulatory agencies and the public pursuant to requirements of the FERC regulations governing the consultation process, and requirements for a capacity amendment. SEAPA will also be discussing their request for waivers of the balance of second-stage consultation under 18 CFR 4.38(e).

The agency daytime meeting will be held from 9:30 to 11:30 and will be virtual only. The evening public meeting will be held that evening from 5:30 p.m. to 7:30 p.m. and will be a hybrid of in-person and virtual. The meeting will be held at SEAPA's office at 55 Don Finney Lane, Ketchikan, Alaska.

Both meetings are open to all interested persons, and SEAPA welcomes any questions or comments regarding the Third Unit proposal. A transcript and/or recording will be prepared from both of these meetings, and SEAPA will notify participants when the transcripts and/or recordings are available. Copies of the transcripts and/or recordings will be filed with FERC, and SEAPA can provide a copy to interested parties by request.

The FERC regulations require that the Agenda for the Joint Agency/Public Meetings be developed in consultation with agencies and other interested participants. SEAPA's draft proposed Agenda includes:

- Proposed Project Description
- Anticipated Environmental Effects
- Regulatory Process
- Discussion

Please send any Joint Agency/Public Meetings RSVP and Agenda comments by October 18, 2024 to Betsy McGregor, Senior Scientist and Regulatory Consultant to SEAPA, at Betsy.McGregor@KleinschmidtGroup.com, TEL: 907-885-3418. Consultation with all interested parties throughout the FERC license amendment process, especially with development of the Joint Agency/Public Meeting Agenda, is encouraged.

By October 22, SEAPA will issue the final Public Notice of the Joint Agency/Public Meetings, including the final Agenda developed in consultation with meeting participants.

Non-Federal Representative

Pursuant to 18 CFR § 5.5(e), SEAPA requests to be designated as the Commission's non-federal representative in relicensing the Project for purposes of consultation under: (1) Section 7 of the Endangered Species Act (ESA), 16 USC § 1536, and the joint agency ESA implementing regulations at 50 CFR Part 402; (2) Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act and implementing regulations at 50 CFR 600.920; and (3) Section 106 of the National Historic Preservation Act (NHPA), 54 USC § 306108, and the NHPA implementing regulations at 36 CFR Part 800.

SEAPA would like to commence this consultation in advance of the November 14, 2024 Joint Agency/Public Meetings, and we would greatly appreciate your response to this request for an expedited response at your earliest convenience.

Public Comments on Draft Amendment Application

Public comments in response to the issues discussed during the November 14, 2024 Joint Agency/Public Meetings and/or the Draft Amendment Application are due within 90 days of this filing, or by January 6, 2025. However, because SEAPA is pursuing an expedited schedule and the end of year holidays, SEAPA respectfully requests that comments be provided within 60 days, or by December 9, 2024.

Comments are to be provided to:

Betsy McGregor
Senior Scientist and Regulatory Consultant
907-885-3418
Betsy.McGregor@KleinschmidtGroup.com

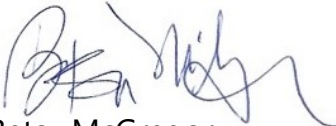
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If you have any questions regarding the Project, the third unit installation proposal, or the FERC license amendment proceeding, please feel free to contact me at 907-885-3418 or by e-mail at Betsy.McGregor@KleinschmidtGroup.com.

Sincerely,

KLEINSCHMIDT ASSOCIATES



Betsy McGregor
Senior Scientist and Regulatory Consultant

BM:TMJ

Enc: Distribution List
Draft Amendment Application

cc: Mark Hilson P.E. and Sharon Thompson, SEAPA
Finaly Anderson and Laura Cowen, Kleinschmidt Associates

**Tye Lake – FERC No. 2911
Capacity Related License Amendment Application Stakeholder List**

Federal Agencies	
<p>Lauren Townson Environmental Protection Specialist Federal Energy Regulatory Commission (FERC) 888 1st St. NE Washington, DC 20426 Lauren.Townson@ferc.gov</p>	
<p>Roberta Budnik Project Manager U.S. Army Corps of Engineers 101 Army Pentagon Washington, DC 204226 roberta.k.budnik@usace.army.mil</p>	<p>Julianne Rosset Anchorage Office Supervisor National Oceanic and Atmospheric Administration (NOAA) Habitat Conservation Division Alaska Region julianne.rosset@noaa.gov</p>
<p>Carol Mahara Ecological Services – Biologist (FWS) 4700 BLM Road Anchorage, AK 99507 carol_mahara@fws.gov</p>	<p>Melissa Dinsmore Lands Special Uses Specialist and Energy Program Coordinator Tongass National Forest 2108 Halibut Point Road Sitka, AK 99835 907-747-4201 Melissa.dinsmore@usda.gov</p>
State Agencies	
<p>Leah Ellis FERC Hydropower Coordinator Alaska Department of Fish And Game 333 Rasberry Road Anchorage, AK 99518 leah.ellis@alaska.gov</p>	
<p>Sarah Meitl Review and Compliance Coordinator Alaska State Historic Preservation Office Alaska Department of Natural Resources 550 West 7th Avenue, Suite 1310 Anchorage, AK 99501 sarah.meitl@alaska.gov</p>	

<p>Carol Hasburgh Natural Resource Coordinator Alaska Department of Natural Resources P.O. Box 111020 Juneau, AK 99811 carol.hasburgh@alaska.gov</p>	<p>Carl Reese Statewide Hydroelectric Coordinator Alaska Department of Natural Resources P.O. Box 111020 Juneau, AK 99811 carl.reese@alaska.gov</p>
<p>Clint Gundelfinger Natural Resource Manager II Alaska Department of Natural Resources Water Management Unit 550 W. 7th Ave. Suite 1360 Anchorage, AK 99501 clint.gundelfinger@alaska.gov</p>	
<p>Jon Wendel Program Manager Alaska Department of Environmental Conservation Division of Water – Compliance Program 410 Willoughby Avenue – Suite 105 Juneau, AK 99801-1795 907-465-5364 jon.wendel@alaska.gov</p>	
<p>Bryan Carey Director of Owned Assets, Statewide Hydroelectric Coordinator Alaska Energy Authority 813 W Northern Lights Blvd. Anchorage, AK 99503 bcarey@akenergyauthority.org</p>	
Local Government	
<p>Ruben Duran, Borough Manager Ketchikan Gateway Borough 1900 First Avenue, Suite 210 Ketchikan, AK 99901 907-228-6625 907-228-6684 fax managersoffice@kgbak.us</p>	<p>Delilah Walsh City Manager/KPU General Manager City of Ketchikan 334 Front Street Ketchikan, AK 99901 907-225-3111</p>

Ms. Debbie-Anne A. Reese

October 8, 2024

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Tribes	
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Esther Reese, Tribal Administrator Wrangell Cooperative Association P.O. Box 2021 1002 Zimovia Highway Wrangell, AK 99929 907-874-4304 wcatrbe@gmail.com	Chad Wright, Tribal Administrator Petersburg Indian Association P.O. Box 1410 15 North 12 th St Petersburg, AK 99833 907-772-3636 x 108 907-772-3637 fax tribaladmin@piatribal.org
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ANSCA Corporations	
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Brenda Louise Petersburg ANCSA Landless Representative 206 S. Dickens St Petersburg, AK 99833 907-772-2615 boxofdaylite@yahoo.com	Kake Tribal Corporation P.O. Box 263 Kake, AK 99830 907-785-3221 info@kaketribalcorp.com
Utilities – SEAPA Power Purchasers	
Jeremy Bynum Acting Electric Division Manager Ketchikan Public Utilities 334 Front Street Ketchikan, AK 99901 907-228-1847 jeremyb1@city.ketchikan.ak.us	Rod Rhoades, Superintendent Wrangell Municipal Light & Power 1064 Case Ave Wrangell, AK 99929 907-874-3602 (phone) 907-874-3614 (fax) wmlp@gci.net
Karl Hagerman, Utility Director Petersburg Municipal Power & Light 11 South Nordic Drive PO Box 329 Petersburg, Alaska 99833 907-772-5403 khagerman@petersburgak.gov	

Other Interested Parties	
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Alaska Power Association 703 West Tudor Road, Suite 200 Anchorage, AK 99503 907-771-5700	Petersburg Chamber of Commerce P.O. Box 649 19 Fram Street Petersburg, AK 99833 907-772-4636
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