



1900 1st Avenue, Suite 318
Ketchikan, Alaska 99901
Ph: (907) 228-2281 • Fax: (907) 225-2287
www.seapahydro.org

April 15, 2013

VIA ELECTRONIC FILING

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Subject: Initial Consultation Document for the Non-Capacity Amendment Process for Swan Lake Expansion, Swan Lake Hydroelectric Project (FERC No. 2911) and Request for Designation as FERC's Non-Federal Representative

Dear Ms. Bose,

In accordance with the Commission's regulations, Southeast Alaska Power Agency (SEAPA) is pleased to provide the Initial Consultation Document (ICD) for the license amendment process to increase storage at the Swan Lake Hydroelectric Project (SLHP, or Project).

The proposed license amendment may affect listed species, and occurs near areas designated as Essential Fish Habitat under the Magnuson Fishery Conservation and Management Act of 1976. Therefore, SEAPA is requesting that the Commission designate SEAPA as its non-federal representative for the purpose of initiating informal consultation with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service with regard to preparation of the license amendment application.

Additionally, since the project may involve ground disturbing activities on state lands under lease to SEAPA, we are requesting that the Commission designate SEAPA as its non-federal

representative for purposes of consultation under Section 106 of the National Historic Preservation Act of 1966.

Background

SEAPA owns and operates the SLHP, located on the northeast side of Carroll Inlet in Southeast Alaska. The current normal maximum surface elevation is 330 feet Mean Sea Level (MSL) around the reservoir. SEAPA is proposing to increase the dam height and establish a new maximum operating pool of 345 feet MSL. Around the reservoir, the Federal Energy Regulatory Commission (FERC) boundary roughly follows the 350-foot elevation contour. The top of dam crest elevation would increase from elevation 344 feet to 350 feet. The current Probable Maximum Flood (PMF) elevation is 344 feet. The new PMF elevation would be 347.5 feet.

The recently completed Southeast Alaska Integrated Resource Plan (SEIRP) reviewed Southeast Alaska's hydroelectric capability, load profiles, economic activity, and population growth. This report, which provides the foundation of future planning, emphasized the need for a new hydroelectric project, increased reservoir storage, and demand side management. Selection of a new hydroelectric project is ongoing, but sites with suitable storage characteristics are limited. Therefore, the need for additional storage at Swan Lake is important for integrating any future project. As a result of the increased dam crest height, the Project's active storage capacity would increase 25% from 81,704 acre-feet to 102,467 acre-feet. With a new run-of-the river project generating during the summer and fall, there would be a reduced summer output at Swan Lake, allowing the larger reservoir to refill. The expanded storage would then be available for higher winter loads.

Because the proposed maximum pool elevation and PMF are within the existing FERC boundary, no changes to the Project boundary are anticipated.

Early Consultation

SEAPA has conducted outreach with key state and federal agencies in the preparation of this ICD. The purpose of this early consultation was to present the proposed project and solicit feedback on the types of issues that would need to be analyzed. SEAPA met with agencies in Ketchikan in May 2012 to discuss key resource questions; this was followed by development of study plans that were reviewed and implemented between June 2012 and December 2012. Finally, SEAPA met with agencies to discuss results of the study reports in February 2013, after providing reports to the agencies for review.

The enclosed ICD represents the input received during the course of this consultation, and identifies outstanding questions and analysis that has been requested through the review of existing information and new information developed for this ICD. The ICD outlines the process

by which these questions will be addressed through the preparation of Resource Reports and other environmental documents.

Public Meeting

SEAPA will host a Joint Meeting pursuant to 18 CFR §4.38(b)(6)(i) on May 22, 2013; the meeting is open to the public. This will be followed by a public meeting in the evening of the same day. The intent of both meetings is to answer any questions about the proposed modifications to the project, the amendment process, and the ICD.

Specific venue and times have not been identified for these meetings, but will be communicated to this distribution list, publically noticed in local newspapers, and posted on the project website at www.mcmillen.com/swanlake.

Documents related to this filing, including the ICD and the 2013 Final Study Reports, are available for download at www.seapahydro.org/slhp.htm

If you have any questions or comments regarding the Joint Meeting, please contact Sharon Thompson at (907) 228-2281.

Sincerely,



Trey Acteson
Chief Executive Officer

- Enclosures:
1. Distribution List
 - Initial Consultation List
 - FERC Service List
 2. Initial Consultation Document

Note to Interested Parties – The material referenced above is for your information. The ICD and complete distribution list referenced here are available for download from the FERC website or at www.seapahydro.org/slhp.htm

Should you or your organization wish to receive updates on this project, or be informed of upcoming events, please provide your contact information to Finlay Anderson by email at sthompson@seapahydro.org or by phone at (907) 228-2281.