

FEDERAL ENERGY REGULATORY COMMISSION

Washington, D.C. 20426

May 11, 2010

OFFICE OF ENERGY PROJECTS

Project Nos. 13212-001-AK and 13211-001-AK
Grant Lake/Falls Creek Hydroelectric Project
Kenai Hydro, LLC

Subject: Scoping of environmental issues for an original license for the Grant Lake/Falls Creek Hydroelectric Project Nos. P-13212-001 and P-13211-001.

To the Party Addressed:

The Federal Energy Regulatory Commission (Commission) is conducting National Environmental Policy Act (NEPA) scoping for an anticipated original license application for the Grant Lake/Falls Creek Hydroelectric Project (FERC Nos. 13212-001 and 13211-001), located near the community of Moose Pass, Alaska. Kenai Hydro, LLC plans to file a final license application for the project on September 29, 2011. The project is located on Grant Creek near the outlet of Grant Lake just east of the Seward Highway (State Route 9) in the Kenai Peninsula Borough. Kenai Hydro, LLC is using the Commission's Traditional Licensing Process (TLP) to license the project.

Pursuant to the National Environmental Policy Act (NEPA) of 1969, as amended, Commission staff intend to prepare an Environmental Assessment (EA), which will be used by the Commission to determine whether, and under what conditions, to issue a license for the project. To support and assist our environmental review, we are beginning the public scoping process to ensure that all pertinent issues are identified and analyzed, and that the EA is thorough and balanced.

We invite your participation in the scoping process, and are circulating the attached Scoping Document (SD1) to provide you with information on the Grant Lake/Falls Creek Project. We are also soliciting your comments and suggestions on our preliminary list of issues and alternatives to be addressed in the EA.

We will be holding scoping meetings to receive input on the scope of the EA. A daytime meeting focused on resource agencies, Indian tribes, and non-governmental organizations (NGO's), will begin at 10 a.m. on June 3, 2010. An evening meeting, primarily for the public, will start at 7 p.m. on June 2, 2010. Both meetings will be held at the Moose Pass Community Hall. The public, agencies, and Indian tribes may attend

either or both meetings. We also will visit the project site on June 2, 2010. Anyone interested in attending the site visit should contact Kenai Hydro, LLC (208 765-1413) or by e-mail at jborovansky@longviewassociates.com by May 23, 2010. More information on the meeting and site visit is available in the attached SD1.

The SD1 is being distributed to both Kenai Hydro LLC's distribution list and the Commission's official mailing List (Section 9.0 of the attached Scoping Document). If you wish to be added or removed from the Commission's official mailing list, please mail your request to Kimberly D. Bose, Federal Energy Regulatory Commission, 888 First Street, N.E., Room 1A, Washington, DC 20426. All written requests must specify your wish to be removed or added to the mailing list and must clearly identify the following on the first page: **Grant Lake/Falls Creek Hydroelectric Project Nos. 13212-001 and 13211-001.**

Please review the Scoping Document and, if you wish to provide comments, follow the instructions in Section 5.0, *Requests for Information*. If you have any questions about the Scoping Document, the scoping process, or how the Commission staff will develop the EA for this project, please contact Mark Ivy at (202) 502-6156 or mark.ivy@ferc.gov. Additional information about the Commission's licensing process and the Grant Lake/Falls Creek Hydroelectric Project may be obtained from our website, <http://www.ferc.gov>.

Enclosure: Scoping Document

cc: Mailing List
Public Files

SCOPING DOCUMENT 1
GRANT LAKE/FALLS CREEK HYDROELECTRIC PROJECT



ALASKA

PROJECT NOS. 13212-001 AND 13211-001

**Federal Energy Regulatory Commission
Office of Energy Projects
Division of Hydropower Licensing
Washington, D.C.**

May 2010

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ACRONYMS AND ABBREVIATIONS

Alaska DEC	Alaska Department of Environmental Conservation
Alaska DF&G	Alaska Department of Fish and Game
APE	Area of Potential Effect
cfs	cubic feet per second
Commission or FERC	Federal Energy Regulatory Commission
EA	environmental assessment
EIS	environmental impact statement
Forest Service	U.S. Forest Service
FPA	Federal Power Act
FWS	U.S. Fish and Wildlife Service
Grant Lake Project	Grant Lake/Falls Creek Hydroelectric Project
GWh	gigawatt-hours
Kenai Hydro, L.L.C.	applicant
kV	kilovolt
msl	mean sea level
MW	megawatt
MWh	megawatt-hours
NEPA	National Environmental Policy Act
NMFS	National Marine Fisheries Service
NGO	non-governmental organizations
PAD	Pre-Application Document
PDEA	preliminary draft environmental assessment
permits	Preliminary Permits
project	Grant Lake/Falls Creek Hydroelectric Project
SD1	Scoping Document 1
SD2	Scoping Document 2
TLP	Traditional Licensing Process

SCOPING DOCUMENT 1

Grant Lake/Falls Creek Hydroelectric Project, Nos. 13212-001 and 13211-001

1.0 INTRODUCTION

The Federal Energy Regulatory Commission (Commission or FERC), under the authority of the Federal Power Act (FPA),¹ may issue licenses for terms ranging from 30 to 50 years for the construction, operation, and maintenance of non-federal hydroelectric projects. On August 6, 2009, Kenai Hydro, L.L.C. (Kenai Hydro or applicant) filed a Pre-Application Document (PAD) and Notice of Intent to seek an original license for the 4.5-megawatt (MW) Grant Lake/Falls Creek Hydroelectric Project (Grant Lake Project or project).²

The Grant Lake Project would be located on Grant Lake, Grant Creek and Falls Creek on the Kenai Peninsula, near the community of Moose Pass, Alaska (Figure 1). Portions of the project would occupy federal lands within the Chugach National Forest, administered by the U.S. Forest Service (Forest Service). The PAD filed on August 6, 2009, included a diversion from Falls Creek diverting flows into a 13,000-foot-long pipe to Grant Lake. On May 3, 2010, the applicant filed a revised PAD and this diversion and pipe are no longer being considered as part of the proposed project. The project will now include a diversion dam at the outlet of Grant Lake, an intake, a power tunnel and short penstock, a powerhouse, and a tailrace returning flows to Grant Creek. A more detailed description of the key project facilities is provided in section 3.0.

The National Environmental Policy Act (NEPA) of 1969,³ the Commission's regulations, and other applicable laws require the Commission to independently evaluate the environmental effects of issuing an original license for the Grant Lake Project as proposed, and to consider reasonable alternatives to the applicant's proposal. Although Commission staff intends to prepare a draft and final environmental assessment (EA),

¹16 U.S.C. § 791(a)-825(r).

²On October 7, 2008, the Commission issued two Preliminary Permits (permits) to Kenai Hydro, L.L.C. to study the feasibility of developing hydroelectric projects on Grant Lake and Falls Creek. The permits provide the applicant protection under the FPA from competitive applications while conducting the studies and processes necessary to complete an application for license. In its Notice of Intent, the applicant expects to file a license application with the Commission by September 29, 2011.

³National Environmental Policy Act of 1969, as amended (Pub. L. 91-190. 42 U.S.C. 4321-4347, January 1, 1970, as amended by Pub. L. 94-52, July 3, 1975, Pub. L. 94-83, August 9, 1975, and Pub. L. 97-258, §4(b), September 13, 1982).

there is a possibility that an Environmental Impact Statement (EIS) will be required. The EA will describe and evaluate the probable effects, including any site-specific and cumulative effects, of the proposed action and alternatives.

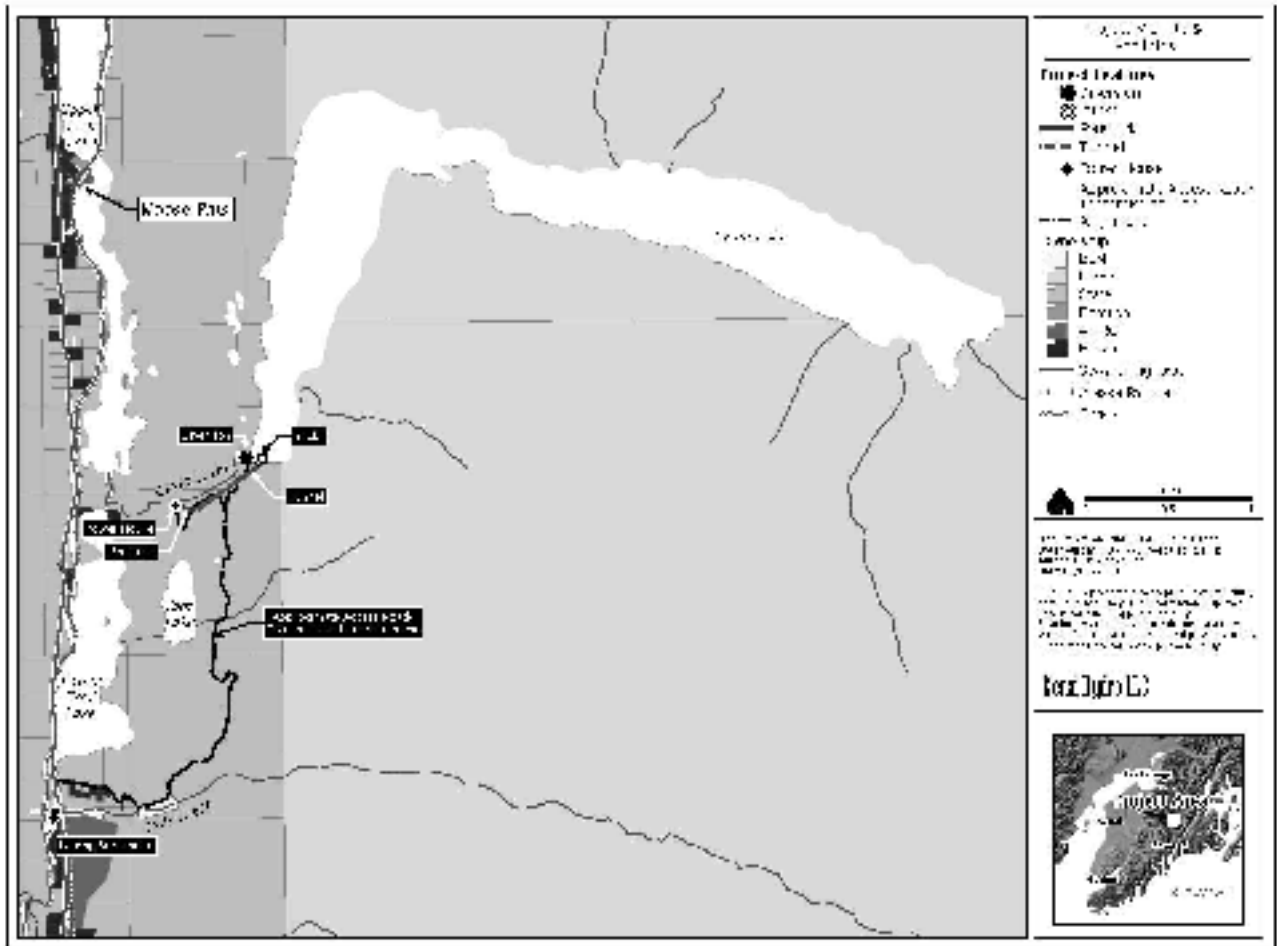


Figure 1. Location, facilities, and land ownership for the Grant Lake Project (Source: Kenai Hydro, L.L.C., Pad, 2009 as modified by Staff).

2.0 SCOPING

This Scoping Document 1 (SD1) is intended to advise all participants as to the proposed scope of the EA and to seek additional information pertinent to this analysis. This document contains: (1) a description of the scoping process; (2) a description of the proposed action and alternatives; (3) a preliminary identification of environmental issues and proposed studies; (4) a request for comments and information; (5) a proposed EA outline; and (6) a preliminary list of comprehensive plans which would be applicable to the project.

2.1 Purposes of Scoping

Scoping is the process used to identify issues, concerns, and opportunities for enhancement or mitigation associated with a proposed action. According to NEPA, the process should be conducted early in the planning stage of the project. The purposes of scoping include:

- invite participation of federal, state and local resource agencies, Indian tribes, non-governmental organizations (NGOs), and the public to identify significant environmental and socioeconomic issues related to the proposed project;
- determine the depth of analysis and significance of issues to be addressed in the EA;
- identify how the project would or would not contribute to cumulative effects in the project area;
- identify reasonable alternatives to the proposed action that should be evaluated in the EA;
- solicit, from participants, available information on the resources at issue, including existing information and study needs; and
- determine the resource areas and potential issues that do not require detailed analysis during project review.

2.2 Comments, Scoping Meetings, and Environmental Site Review

There are several opportunities for resource agencies, Indian tribes, NGOs, and the public to provide comments to the Commission regarding this project. These opportunities occur:

- during the public scoping process when we solicit oral and written comments on the scope of analysis and issues to be discussed in the EA;
- after issuance of the Commission's ready for environmental analysis notice when we solicit comments, recommendations, terms and conditions, and fishway prescriptions for the project; and
- after issuance of the EA when we solicit written comments on the EA.

In addition to written comments solicited by this SD1, we will hold two public scoping meetings and an environmental site review in the vicinity of the proposed project. The daytime meeting will focus on concerns of the resource agencies, NGO's, and Indian tribes, while the evening meeting will focus on receiving input from the public. We invite all interested agencies, Indian tribes, NGOs, and individuals to attend one or both of the meetings, as well as the site review, to assist us in identifying the scope of environmental issues that should be analyzed in the EA. The times and locations of the meetings are as follows:

Evening Scoping Meeting

Date and Time: Wednesday, June 2, 7:00 p.m. - 10:00 p.m. (Alaska ST)
 Location: Moose Pass Community Hall
 Mile 29.5 Seward Highway
 Moose Pass, AK 99631
 Phone Number: (907) 288-3678

Daytime Scoping Meeting

Date and Time: Thursday, June 3, 10:00 a.m. – 2:00 p.m. (Alaska ST)
 Location: Moose Pass Community Hall
 Mile 29.5 Seward Highway
 Moose Pass, AK 99631
 Phone Number: (907) 288-3678

Environmental Site Review

Date and Time: Wednesday, June 2, 8:00 a.m. – 5:00 p.m. (Alaska ST)
 Location: Scenic Mountain Air boat launch
 31702 Depot Road
 Moose Pass, AK 99631
 Phone Number: (907) 288-3646

All participants interested in the environmental site review should meet at the Scenic Mountain Air boat launch in Moose Pass by 8 a.m. Participants should be in good health and prepared/able to hike without assistance in unimproved trail conditions for the entire day (+3 miles with 200 feet of elevation gain). Participants should also pack their own lunch, snacks and water, wear waterproof, rugged footwear, and be prepared for inclement and potentially cold weather conditions. Anyone with questions about the environmental site review (or needing directions) should contact Jenna Borovansky at (208) 765-1413 or jborovansky@logviewassociates.com. Those individuals planning to participate in the environmental site review should notify Ms. Borovansky of their intent, no later than May 23, 2010.

The scoping meetings will be recorded by a court reporter, and all statements (verbal and written) will become part of the Commission's public record for the project. Before each meeting, all individuals who attend, especially those who intend to make statements, will be asked to sign in and clearly identify themselves for the record. Interested parties who choose not to speak or who are unable to attend the scoping meetings may provide written comments and information to the Commission as described in section 6.0. These meetings are posted on the Commission's calendar located on the internet at <http://www.ferc.gov/EventCalendar/EventsList.aspx>, along with other related information.

Meeting participants should come prepared to discuss their issues and/or concerns as they pertain to the licensing of the Grant Lake Project. It is advised that participants review the PAD in preparation for the scoping meetings. Copies of the PAD are available for review at the Commission in the Public Reference Room or may be viewed on the Commission's website (<http://www.ferc.gov>), using the "eLibrary" link. Enter the docket numbers, P-13212 and P-13211, to access the documents. For assistance, contact FERC Online Support at FERCONlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, (202) 502-8659. A copy of the PAD is also available for inspection and reproduction at the following address: Kenai Hydro, L.L.C., 6921 Howard Avenue, Anchorage, Alaska, 99504.

After scoping, all issues raised will be reviewed and decisions made on the level of

analysis needed in the EA. If our preliminary analysis includes that any issues presented in SD1 have little potential for causing significant effects, these issues will be identified and the reason for not providing a more detailed analysis will be provided in the EA.

We will revise this SD1, if necessary, to reflect comments received during the comment period and issue Scoping Document 2 (SD2). If we receive no substantive comments and no revisions to the SD1 are necessary, participants will be notified by letter.

3.0 PROPOSED ACTION AND ALTERNATIVES

In accordance with NEPA, the environmental analysis will consider the following alternatives, at a minimum: (1) the no-action alternative, (2) the applicant's proposed action, and (3) alternatives to the proposed action.

3.1 The Proposed Action

3.1.1 Proposed Project Facilities

The project would consist of: a new 10-foot-high, 120-foot-wide concrete gravity dam on Grant Lake, with a 60-foot-wide spillway section at elevation 709 feet mean sea level (msl); the 1,790-acre Grant Lake with active storage of 48,000 acre-feet between 675 and 706 feet msl; a new multi-level intake at Grant Lake; a new 2,800-foot-long, 10-foot-high horseshoe power tunnel; a new 8-foot-diameter, 110-foot-high surge tank; a new 650-foot-long, 66-inch-diameter steel penstock; a new powerhouse containing two Francis generating units with total installed capacity of 4.5 MW; a new 200-foot-long open channel tailrace; a 3.5-mile-long, overhead or underground transmission line at 115, 69, or 24.9-kilovolt (kV), or twelve 15-kV; a new 3.4-mile-long access road; and appurtenant facilities.

3.1.2 Proposed Project Operations

Kenai Hydro is proposing to operate the project following a run-of-river and a seasonal load following scheme. During the summer months, the project would operate run-of-river, with all excess flows being used to regulate Grant Lake thus capturing high spring and summer runoffs. During the winter months, the project would operate by drawing down Grant Lake. Water from Grant Lake would be diverted at the new multi-level intake into the power tunnel, surge tank, and powerhouse. Flows from the powerhouse would be discharged back into Grant Creek.

3.1.3 Proposed Environmental Measures

Kenai Hydro proposes to conduct studies (section 5.0) to analyze the project's impact on environmental resources and develop appropriate protection, mitigation, and enhancement measures. At this time, Kenai Hydro has identified the following environmental measures to protect and enhance environmental resources of the project.

Terrestrial Resources

- Incorporate raptor protection guidelines into the transmission line design.
- Install collision avoidance devices on the transmission line in appropriate locations to protect migratory birds.

Aesthetic Resources

- Incorporate setbacks into the transmission line route to minimize visual impacts as viewed from the Seward Highway.

3.2 Alternatives to the Proposed Action

The EA will consider and analyze all recommendations for operation or facility modifications, as well as for protection, mitigation, and enhancement measures identified by Commission staff, resource agencies, Indian tribes, NGO's, and the public.

3.3 No Action

Under the no-action alternative, the Commission would deny a license for the proposed Grant Lake Project. The project would not be built and there would be no change to the existing environment. We use this alternative to establish baseline environmental conditions for comparison with other alternatives.

4.0 SCOPE OF CUMULATIVE EFFECTS AND RESOURCE ISSUES

4.1 Cumulative Effects

According to the Council on Environmental Quality's regulations for implementing NEPA (50 C.F.R. 1508.7), a cumulative effect is the effect on the environment that

results from the incremental effect of the action when added to other past, present and reasonably foreseeable future actions, regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative effects can result from individually minor but collectively significant actions taking place over a period of time, including hydropower and other land and water development activities.

4.1.1 Resources That Could Be Cumulatively Affected

Based on information in the PAD and preliminary staff analysis, we have identified water quantity, water quality, and fishery resources as resources that could be cumulatively affected by the proposed construction and operation of the project.

4.1.2 Geographic Scope

Our geographic scope of analysis for cumulatively affected resources is defined by the physical limits or boundaries of the proposed action's effect on the resources and contributing effects from other hydropower non-hydropower activities within the Kenai River Basin.

At this time, we have tentatively identified the Kenai River Basin as our geographic scope of analysis for water quantity, water quality, and fishery resources.

4.1.3 Temporal Scope

The temporal scope of our cumulative effects analysis in the EA will include a discussion of past, present, and future actions and their effects on each resource. Based on the potential term of a new license, the temporal scope will look 30-50 years into the future, concentrating on the effect to the resources from reasonably foreseeable future actions. The historical discussion will, by necessity, be limited to the amount of available information for each resource. The quality and quantity of information, however, diminishes as we analyze resources further away in time from the present.

4.2 Resource Issues

In this section, we present a preliminary list of environmental issues to be addressed in the EA. We have identified these issues, which are listed by resource area, by reviewing the PAD and the Commission's record for this proceeding. Those issues identified by an asterisk (*) will be analyzed for both cumulative and site specific effects. This list is not intended to be exhaustive or final, but contains those issues raised to date that could have substantial effects. After the scoping process is complete, we will review

the list and determine the appropriate level of analysis needed to address each issue in the EA.

4.2.1 Geologic and Soils Resources

- Effects of project construction and operation on erosion and sedimentation of Grant Lake and its shoreline.
- Effects of project construction and operation on erosion or sedimentation of the existing Inlet Creek delta.

4.2.2 Water Quantity and Quality

- Effects of project construction and operation on the water quality of Grant Lake, Grant Creek, Falls Creek, Lower Trail Lake, and Trail Creek.*
- Effects of project construction and operation on the hydrology of Grant Lake, Grant Creek, Falls Creek, Lower Trail Lake and Trail Creek.*

4.2.3 Aquatic Resources

- Effects of project construction and operation on the fish and aquatic resources in Grant Lake, Grant Creek, Falls Creek, Lower Trail Lake and Trail Creek.*
- Effects of diverted flows on fish and aquatic resources in the proposed bypassed reach of Grant Creek.
- Effects of Grant Lake reservoir fluctuations on fish and aquatic resources.
- Effects of entrainment on fish populations in Grant Lake and Grant Creek.
- Effects of the loss of habitat connectivity and bi-directional passage on resident fish populations in Grant Lake and Grant Creek.

4.2.4 Terrestrial Resources

- Effects of project construction and operation on the distribution and abundance of plant species designated by the Forest Service as sensitive.

- Effects of project construction and operation on the distribution and abundance of invasive plant species.
- Effects of project construction and operation on forest/scrub, wetland, riparian, and littoral habitats used by wildlife on Grant Lake and Grant Creek.
- Effects of project construction and operation on wildlife critical life stages, distribution, and abundance, including:
 - Wildlife species designated by the Forest Service as Management Indicator Species, such as: brown bear, moose, and mountain goat.
 - Wildlife species designated by the Forest Service as Species of Special Interest, such as: Canada lynx, wolverine, river otter, marbled murrelet, Townsend's warbler, Northern goshawk, bald eagle, and osprey.
 - Wildlife species designated by the State of Alaska as Species of Special Concern, such as: olive-sided flycatcher, gray-cheeked warbler, blackpoll warbler, and brown bear.
- Effects of project operation on availability of fish as food for wildlife.
- Effects of project construction and operation on wildlife movement between Grant Lake and Trail Lake.
- Effects of project operation on littoral wildlife habitat at the narrows between Upper and Lower Trail Lakes.
- Effects of project construction and operation on breeding and rearing habitat and nesting success of shorebirds and waterfowl in Grant Lake and Inlet Creek.
- Effect of project transmission lines on raptors and other birds, including electrocution and collision hazards.

4.2.5 Threatened and Endangered Species

- No federally listed threatened and endangered species are known to occur in the project vicinity. No issues regarding threatened and endangered species have been identified at this time.

4.2.6 Recreation Resources and Land Use

- Effects of project construction and operation on existing recreation and land use in and around Grant Lake, Grant Creek, Falls Creek, Lower Trail Lake and Trail Creek.
- Effects of project construction and operation on current or future (over the term of a license) recreation demand and use, including barrier-free access and the need for and benefit of interpretive opportunities (such as interpretive signs) at the project.
- Effects of project construction and operation on local residential land use.

4.2.7 Aesthetic Resources

- Effects of project construction, facilities, and operation on the aesthetic values of the project area, including noise and light pollution.
- Effects of the transmission line on Scenic Byway viewpoints from the Seward “All American” Highway and views from existing recreation trails such as the Iditarod National Historic Trail.

4.2.8 Cultural Resources

- Effects of project construction and operation on historical and archaeological resources, and properties of traditional religious and cultural importance to Native Alaska tribes.
- Effects of Grant Lake reservoir fluctuations and reduced flows in Falls Creek and Grant Creek on archaeological resources located along the reservoir shoreline.
- Effects of project construction and operation on subsistence use (hunting, fishing, and gathering) involving Native Alaskan tribes.

4.2.9 Socioeconomics

- Effects of project construction and operation on local, tribal, and regional economies.

4.2.10 Developmental Resources

- Effects of recommended environmental measures on project generation and economics.
- Effects of construction, operation, and maintenance on project economics.

5.0 POTENTIAL STUDIES

Depending upon the findings of studies completed by Kenai Hydro, L.L.C. and the recommendations of the consulted entities, the applicant will consider, and may propose certain measures to enhance environmental resources affected by the project as part of the proposed action. The following are the applicant's initial study proposals to fill information gaps to address the above issues and determine appropriate environmental measures. Further studies may need to be added to this list based on comments provided to the Commission from interested participants, including Indian tribes. Kenai Hydro, L.L.C. proposes the following:

Geology and Soils

- Grant Lake Shoreline Erosional Processes Study

Water Resources

- Hydrology of Grant Lake/Grant Creek and Falls Creek Watersheds
- Water Quality of Grant Lake/Grant Creek and Falls Creek Watersheds

Fisheries and Aquatic Resources

- Grant Lake Fish Resources Distribution and Abundance
- Grant Creek Fish Resources Abundance and Distribution

- Grant Creek Habitat Modeling/Instream Flow Analysis
- Falls Creek Fish Resources Distribution and Abundance

Terrestrial Resources

- Wildlife and Bird Surveys and Habitat Use Mapping
- Vegetation Surveys and Mapping
- Wetlands Mapping

Cultural Resources

- Subsistence and Cultural Use Study
- Historical and Archeological Resources Survey

Recreation Resources and Land Use

- Recreation Use Assessment
- Land Use and Facilities Study (includes lands, roads, and construction practices)

Visual and Aesthetic Resources

- Aesthetic/Visual Resources Study

Socioeconomics

- Socioeconomics assessment to assess project-related effects on the local and regional economy.

6.0 INFORMATION REQUESTED

We are asking federal, state, and local resource agencies, Indian tribes, NGOs, and the public to forward to the Commission any information that will assist us in conducting an accurate and thorough analysis of the project-specific and cumulative effects associated with the proposed Grant Lake Project. The types of information requested include, but are not limited to:

- information, quantitative data, or professional opinions that may help define the geographic and temporal scope of the analysis (both site-specific and cumulative effects), and that helps identify significant environmental issues;
- identification of, and information from, any other EA, EIS, or similar environmental study (previous, on-going, or planned) relevant to the proposed project;
- existing information and any data that would help to describe the past and present actions and effects of the project and other developmental activities on environmental and socioeconomic resources;
- information that would help characterize the existing environmental conditions and habitats;
- the identification of any federal, state, or local resource plans, and any future project proposals in the affected resource area (e.g., proposals to construct or operate water treatment facilities, recreation areas, water diversions, timber harvest activities, or fish management programs), along with any implementation schedules;
- documentation that the proposed project would or would not contribute to cumulative adverse or beneficial effects on any resources. Documentation can include, but need not be limited to, how the project would interact with other projects in the area and other developmental activities; study results; resource management policies; and reports from federal and state agencies, local agencies, Indian tribes, NGOs, and the public; and
- documentation showing why any resources should be excluded from further study or consideration.

Any additional information, comments on the SD1, and additional study requests should be submitted in writing to the Commission no later than **July 6, 2010**. All documents should clearly identify “*Grant Lake/Falls Creek Hydroelectric Project Nos. 13212-001 and 13211-0011*” on the first page. File all documents with:

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, DC 20426

All filings sent to the Secretary of the Commission should contain an original and eight copies. Failure to file an original and eight copies may result in appropriate staff not receiving the benefit of your comments in a timely manner. Scoping comments may be filed electronically via the Internet in lieu of paper. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site (<http://www.ferc.gov/docs-filing/ferconline.asp>) under the "e-Filing" link. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, (202) 502-8659. The Commission strongly encourages electronic filings.

Register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, please contact FERC Online Support.

In addition, there is a "Quick Comment" option available, which is an easy method for interested persons to submit text only comments on a project. The Quick-Comment User Guide can be viewed at <http://www.ferc.gov/docs-filing/efiling/quick-comment-guide.pdf>. Quick Comment does not require a FERC eRegistration account; however, you will be asked to provide a valid email address. All comments submitted under either eFiling or the Quick Comment option are placed in the public record for the specified docket.

Any questions concerning the scoping meetings or how to file information, or comments with the Commission should be directed to Mark Ivy at (202) 502-6156 or mark.ivy@ferc.gov.

Additional information about the Commission's licensing process and the Grant Lake Project may be obtained from the Commission's website www.ferc.gov.

7.0 EA PREPARATION SCHEDULE

At this time, we anticipate the need to prepare a draft and final EA. The draft EA will be sent to all persons and entities on the Commission's service and mailing lists for the Grant Lake Project. The EA will include our recommendations for operating procedures, as well as environmental protection and enhancement measures that should be part of any license issued by the Commission. All recipients will then have 30 days to review the EA and file written comments with the Commission. All comments on the draft EA filed with the Commission will be considered in preparation of the final EA.

The major milestones, including those for preparing the EA, are as follows:⁴

<u>Major Milestone</u>	<u>Target Date</u>
Scoping Meetings	June 2-3, 2010
License Application Filed	September 29, 2011
Ready for Environmental Analysis Notice Issued	December 2011
Deadline for Filing Comments, Recommendations and Agency Terms and Conditions/Prescriptions	February 2012
Draft EA Issued	August 2012
Comments on Draft EA Due	October 2012
Final EA Issued	January 2013

If Commission staff determines that there is a need for additional information or additional studies, the issuance of the Ready for Environmental Analysis notice could be delayed. If this occurs, all subsequent milestones would be delayed by the time allowed for the applicant to respond to the Commission's request.

8.0 PROPOSED EA OUTLINE

The preliminary outline for the Grant Lake Project EA is as follows:

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 - 1.3.1.1 Section 18 Fishway Prescriptions
 - 1.3.1.2 Section 4(e) Conditions
 - 1.3.1.3 Section 10(j) Recommendations

⁴ This schedule assumes that a draft and final EA would be prepared. If a draft and final EIS is prepared the target dates for comments on the draft EIS and deadline for filing modified agency recommendations may need to be revised.

- 1.3.2 Clean Water Act
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 - 2.2.2 Proposed Project Operation
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 - 2.2.4 Modifications to Applicant's Proposal—Mandatory Conditions
 - 2.3 Staff Alternative
 - 2.4 Staff Alternative with Mandatory Conditions
 - 2.5 Alternatives Considered but Eliminated from Detailed Study
- 3.0 ENVIRONMENTAL ANALYSIS
 - 3.1 General Description of the River Basin
 - 3.2 Scope of Cumulative Effects Analysis
 - 3.2.1 Geographic Scope
 - 3.2.2 Temporal Scope
 - 3.3 Proposed Action and Action Alternatives
 - 3.3.1 Geologic and Soil Resources
 - 3.3.2 Aquatic Resources
 - 3.3.3 Terrestrial Resources
 - 3.3.4 Threatened and Endangered Species
 - 3.3.5 Recreation and Land Use
 - 3.3.6 Cultural Resources
 - 3.3.7 Aesthetic Resources
 - 3.3.8 Socioeconomics
 - 3.4 No-action Alternative
- 4.0 DEVELOPMENTAL ANALYSIS
 - 4.1 Power and Economic Benefits of the Project
 - 4.2 Cost of Environmental Measures
 - 4.3 Comparison of Alternatives
- 5.0 CONCLUSIONS AND RECOMMENDATIONS

- 5.1 Comparison of Effects of Proposed Action and Alternatives
- 5.2 Comprehensive Development and Recommended Alternative
- 5.3 Unavoidable Adverse Effects
- 5.4 Recommendations of Fish and Wildlife Agencies
- 5.5 Consistency with Comprehensive Plans
- 6.0 FINDING OF NO SIGNIFICANT IMPACT (OR OF SIGNIFICANT IMPACT)
- 7.0 LITERATURE CITED
- 8.0 LIST OF PREPARERS
- APPENDICES

9.0 COMPREHENSIVE PLANS

Section 10(a)(2) of the FPA, 16 U.S.C. section 803(a)(2)(A), requires the Commission to consider the extent to which a project is consistent with federal and state comprehensive plans for improving, developing, or conserving a waterway or waterways affected by a project. We have a preliminarily identified and reviewed the plans listed below that may be relevant to the proposed Grant Lake Project. Agencies are requested to review this list and inform the Commission staff of any changes. If there are other comprehensive plans that should be considered for this list that are not on file with the Commission, or if there are more recent versions of the plans already listed, they can be filed for consideration with the Commission according to 18 C.F.R. 2.19 of the Commission's regulations. Please follow the instructions for filing a plan at <http://www.ferc.gov/industries/hydropower/gen-info/licensing/complan.pdf>.

Alaska

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U.S. Fish and Wildlife Service. Undated. Fisheries USA: the recreational fisheries policy of the U.S. Fish and Wildlife Service. Washington, D.C.

10.0 FERC OFFICIAL MAILING LIST

If you want to receive future mailings for this project and you did not receive notice of these meetings from the Commission, please send your request by mail to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Room 1A, Washington, DC 20426. All written requests to be added to the Commission's mailing list must clearly identify the following on the first page: "*Grant Lake/Falls Creek Hydroelectric Project Nos. 13212-00 and 13211-0011.*" You may use the same method to remove your name from the Commission's mailing list for this project.

Also, please notify the applicant if you would like to be placed on their Distribution List for this project.

Register online at <http://www.ferc.gov/esubscribenow.htm> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free (806) 208-3676, or for TTY, (202) 502-8659.

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