

May 23, 2024

Assembly Chair Constant Assembly Vice Chair Zaletel Anchorage Assembly Municipality of Anchorage PO Box 196650 Anchorage, AK 99519-6650

Subject: The Proposed Final Fish and Wildlife Program Process; Correcting

Misunderstandings

Dear Chair Constant, Vice Chair Zaletel, and Members of the Anchorage Assembly:

We, as senior leadership representatives of Chugach Electric Association, Inc. (Chugach), are writing to you to explain certain key aspects of our joint process with Matanuska Electric Association, Inc. (MEA) and the Municipality of Anchorage (MOA) (collectively, Project Owners) in developing the Proposed Final Fish and Wildlife Program (Proposed Final Program) that was submitted to the Governor on April 25, 2024. We would like to use this letter as an opportunity to correct certain misunderstandings that appear to be at the heart of the many negative public statements made to date about the Proposed Final Program, the Project Owners, and our team. Fundamentally, despite our differences with respect to the Proposed Final Program to date, we share many common interests, as Chugach's membership includes most Anchorage residents.

It is our responsibility to provide the people of Anchorage – your constituents and our members – with electricity that is essential to their lives and livelihoods and at a cost that does not overburden them. We take that responsibility very seriously. We do not take on excessive operational or legal risks. We do not enter into contracts lightly, and we approach our work and our obligations methodically. In this vein, we have approached each step of our work on the Proposed Final Program with the necessary level of integrity and care required to effectively serve our members pursuant to our mission. Below, we provide a detailed overview of our process, focusing broadly on the points which have been of greatest concern to the Anchorage Assembly to date.

1. Proposed Final Program Process Was the Culmination of a Careful Years-Long Study, Consultation and Negotiation Process Involving Federal and State Agencies, the Native Village of Eklutna, Other Interested Stakeholders, and the Public

In connection with the 1997 sale of the Eklutna Hydroelectric Project (Project) from the federal government to the MOA d/b/a Municipal Light & Power (ML&P), MEA, and Chugach, the Project Owners had entered into the 1991 Agreement with federal and state agencies, and the Governor of Alaska, for the protection, mitigation of damages to, and enhancement of fish and wildlife affected by the development of the Eklutna Project. The 1991 Agreement lays out a process for developing and carrying out study plans, reviewing findings, and developing a fish and wildlife program, modeled off a traditional Federal Energy Regulatory Commission (FERC) hydroelectric

relicensing process. Yet, there are key differences and departures from federal law, including the fact that the Governor of Alaska, rather than FERC, has final approval authority over the resulting fish and wildlife program. Distinctly, the Governor is required to "give equal consideration to" a broader set of considerations than under the Federal Power Act: efficient and economical power production, energy conservation, the protection, mitigation of damage to and enhancement of fish and wildlife (including relating spawning grounds and habitat), the protection of recreational opportunities, municipal water supplies, the preservation of other aspects of environmental quality, other beneficial public uses, and requirements of State law. See Section 5 of the 1991 Agreement. This public interest determination, along with the process requirements and lack of guiding precedent, makes the 1991 Agreement completely unique. In total, it contains only six-pages of text and therefore is limited in detail.

We have taken the view that it is essential to follow each of the enumerated requirements of the 1991 Agreement carefully and fully. We have also, however, where there is either no specific requirement on a process in the 1991 Agreement or only a minimum "floor" requirement, opted to look to industry best practice and FERC relicensing processes to do more than required of us by the 1991 Agreement. This approach has allowed us to provide consultation, documentation, and alternatives analysis well above and beyond the minimum of what is required in the 1991 Agreement. It has also limited us, however, when there is a clear process or timeline requirement laid out in the 1991 Agreement, as we see no path to changing or ignoring such requirements and have therefore followed them strictly.

For example, the 1991 Agreement required the Project Owners to begin a consultation process "no later than" 25 years after the sale of the Project or October 2022. To ensure a robust and meaningful process, we started three years early in 2019. However, the 1991 Agreement also states that implementation of the Fish and Wildlife Program shall begin no later than 30 years after the sale of the Project. It was important to us to release the Proposed Final Program to the public as soon as possible before that deadline and provide the Governor with ample time for review. We therefore worked backward from such 30-year hard implementation deadline of October 2027, and developed the schedule set forth in Sections 3.2 and 4.10.3 of the Supporting Information Document (SID). While we were free to start early, the schedule requirements of the 1991 Agreement afford no room for delaying implementation.

Since initiating the process in 2019, the Project Owners have similarly followed and where permissible under the 1991 Agreement, expanded upon each requirement of the 1991 Agreement in developing the Proposed Final Program. The five-year process was methodical, scientific, and robust in complete adherence to the requirements of the 1991 Agreement. We engaged with experts across federal and state agencies, the Native Village of Eklutna (NVE), and other interested stakeholders, and we worked closely with interested parties to review alternatives and revise our plans to address concerns. We have included a detailed overview of only some of the key steps taken by the Project Owners as we moved through the process as **Attachment 1** hereto.

Overall, we are proud of this work and have submitted a Proposed Final Program that meaningfully protects, mitigates, and enhances fish and wildlife impacted by the Project, while balancing costs and all requirements of the 1991 Agreement, including potential impacts to municipal water supply, power generation, and recreation. With our Proposed Final Program, significant flows of water

will return to all but one mile of the Eklutna River, where it has not been since long before the Project Owners bought the Project from the federal government. It will create new habitat for Chinook and coho. Modeling results indicate that spawning and rearing habitat for Chinook will increase by 209% and 53% respectively, and that spawning and rearing habitat for coho will increase by 65% and 67% respectively. The increased flow and salmon abundance will directly benefit several other wildlife species.

The Proposed Final Program also includes robust monitoring and adaptive management principles. As compared with other alternatives that were proposed and studied, it balances costs to ratepayers and taxpayers with habitat gains and limits impacts to municipal water supply and recreation.

The Proposed Final Program is just the beginning of a decades long process to protect, mitigate damages to, and enhance fish and wildlife affected the Project. The Proposed Final Program's provisions and limited reopeners leave open the possibility of increased water flows and fish passage in the future - before the 1991 Agreement calls upon the Project Owners to begin the process again – based on ongoing monitoring.<sup>2</sup> We are committed to continuing to work with stakeholders, including NVE, during implementation, to adapt and improve the program based on new data, and these reopeners allow for this. The federal agencies involved in the process to date have commended our work, and ultimately, we believe that the federal and state agencies that were engaged in the process of developing the Proposed Final Program will support it.

Finally, we note that the Assembly was kept up to date throughout the process. Beginning in February 2020, the Project Owners regularly presented the status of the study, consultation, and program development process to the Assembly. This included presentations in February 2020, October 2020, March 2021, June 2021, October 2021, February 2022, July 2022, November 2022, March 2023, July 2023, and December 2023. Information about and recordings of each of these meetings – and other relevant community meetings – are available here.

# 2. Costs Allocation Among Project Owners; MOA Will Pay Less Than 10% and Has Already Committed Contractually To Pay Its Share of Program Costs

Throughout the development of the Proposed Final Program, many questions have been asked about costs, how ratepayers and taxpayers will potentially be impacted, and such how impacts were analyzed. Before reviewing such background, it is important to note that the alternative ultimately selected by the Project Owners was the most cost-effective alternative by far in producing significant habitat gains without soaring, unmanageable costs. Alternatives that requested replacement dams with volitional fish passage, for example, were estimated to have capital costs up to \$170.8 million, where the Project Owners' alternative is projected to cost \$16.47 to \$20.48 million in capital costs (depending on whether the fixed wheel gas is installed). Still, the up to \$20.48 million in capital expenses (and the \$63.8 to \$72.2 million in total costs) will be significant for the Project Owners,<sup>3</sup> and some of this will be borne by the MOA.

<sup>&</sup>lt;sup>1</sup> For more information, please see Section 4.10.1 of the SID.

<sup>&</sup>lt;sup>2</sup> Please read the reopeners set forth in Section 4 of the Proposed Final Program, pages 16-19.

<sup>&</sup>lt;sup>3</sup> For a breakdown of such costs, please see Section 4.10.2 of the SID.

At the time of their purchase of the Project in October 1997, the Project Owners agreed to allocate all capital and operational costs of the Project among themselves directly according to their respective ownership shares, with MOA responsible at the time for 53.33% of all costs.

On October 30, 2020, this cost allocation was significantly altered when Chugach acquired ML&P. In connection with that transaction, while the MOA retained its ownership interests in the Project in what became Anchorage Hydroelectric Utility (Anchorage Hydro), the MOA executed two long-term power purchase agreements (PPAs) pursuant to which it sells its allocation of the power output to MEA and Chugach. Under its PPA, Chugach agreed to pay for the operating costs, including the fish and wildlife cost responsibility, associated with the portion of Anchorage Hydro's power output that it is purchasing. Under MEA's PPA, however, the MOA remains responsible for the fish and wildlife program costs associated with the output that MEA is purchasing from Anchorage Hydro. The Anchorage Assembly approved the terms of the ML&P acquisition and PPA<sup>4</sup>, as did the Regulatory Commission of Alaska (RCA).

Today, therefore, the cost breakdown with respect to Proposed Final Program costs is as follows:

- > Chugach is responsible for 64.29% of all fish and wildlife costs, including capital costs, O&M costs, and the cost to replace any power output lost due to associated changes in operations due to implementation of the 1991 Agreement (Replacement Energy Costs);
- MEA is responsible for 16.67% of the capital costs and O&M costs, and 35.71% of Replacement Energy Costs; and
- MOA is responsible for 19.04% (this is the portion of the Project from which it sells power to MEA) of the capital costs and O&M costs but, because it does not have any rights to any of the power output, it would incur **no** (0.00%) of Replacement Energy Costs.

Chugach's annual payments to the MOA under its PPA are set according to a schedule in the PPA, rising from \$2,614,483 in the year starting November 1, 2024, to \$3,523,928 in the final year of the 35 year contract. In total, Chugach is paying the MOA \$48.2 million under the MOA-Chugach PPA. MEA's annual payments under its PPA are not fixed like Chugach's, but instead are set at 85% of its MEA's avoided cost rate, adjusted annually. In 2020, the MOA estimated that its total annual revenue under the PPAs and compensation from AWWU for diversion of water to domestic use will be \$4,654,793.

In 2020, the Regulatory Commission of Alaska (RCA) examined the financial fitness of Anchorage Hydro as a utility in consideration of whether to issue a certificate of public convenience and necessity. As part of the examination, the MOA then estimated that its annual costs of operations of the Project to be \$143,762, depreciation expense to be \$210,035, and working capital requirement to be \$17,970. The RCA then considered that Anchorage Hydro would have to pay its portion of the costs of the fish and wildlife program, then estimated to be \$30 million (in capital costs and O&M costs, but not Replacement Energy) and noted that Anchorage Hydro would establish and maintain a \$3 million reserve account. The RCA specifically concluded that Anchorage Hydro "will have sufficient Eklutna Project revenue to cover its allocated share of normal Project operations and maintenance expenses."

<sup>&</sup>lt;sup>4</sup> See AO 2018-89 and AO 2019-387.

Due to such 2020 reallocation of costs, and the fact that the MOA does not bear any of the Replacement Energy costs, the MOA will actually only be required to pay 8.3% of the total estimated annualized costs of the Proposed Final Program without the fixed wheel gate (\$297,160/year) or 8.8% of the total annualized costs of the Proposed Final Program if the fixed wheel gate is installed (\$343,848/year). These numbers are less than what was anticipated and modeled in 2020 as part of the ML&P acquisition.

Based on the foregoing information, Anchorage Hydro has ample revenues from the PPAs to cover the annual costs of operations of the Project, depreciation expense, working capital requirements, as well as its portion of the total estimated annualized costs of the Proposed Final Program. Further, these costs were already anticipated by the MOA as part of the ML&P acquisition. The terms of the acquisition were approved by the Anchorage Assembly before the RCA approved the acquisition, and should already be more than accounted for in Anchorage Hydro's budget with respect to its receipt of Chugach and MEA funds and its reserve account. Finally, the MOA has also already committed in its contract with MEA to paying these expenses.<sup>5</sup>

Therefore, (1) due to the considerable revenues received from Chugach and MEA under the PPAs, the MOA should not need to increase taxes or issue debt to be able to pay its portion of the Project costs; and (2) additional approvals from the MOA or Assembly to cover its share of the costs which have already been modeled, allocated, contractually committed to, approved and relied upon by Chugach and MEA when executing the PPAs with the MOA, and by the RCA, when approving the PPAs – are not necessary.

# 3. The Agreements Between AWWU and the Project Owners Were Necessary for the Proposed Final Program Approval; the AWWU Agreements Contemplate Assembly **Approval Before Execution**

As part of the alternatives analysis process, we proposed the "AWWU Portal Valve" option for instream flows, the option which we subsequently selected. Multiple participants in addition to the Project Owners also selected this option for analysis. The reasoning is self-explanatory: AWWU water transportation infrastructure already takes water from Eklutna Lake (from Project infrastructure) and transports water downstream in close proximity to the Eklutna River. Modifying such infrastructure to establish instream flows in the river presented an attractive possible solution that would allow us to create habitat in all but one mile of the river while minimizing the huge capital costs associated with dam replacement or new water transportation infrastructure, and minimizing Project operational impacts, allowing us to balance the 1991 Agreement priorities.

As we moved through the alternatives analysis and began to see the data on habitat and cost indicate that this option could indeed be a valuable piece of our Proposed Final Program, the

<sup>&</sup>lt;sup>5</sup> Section 4.2 of the MOA-MEA PPA expressly confirms the MOA "shall be responsible for all capital costs, all operations and maintenance expenses, and all costs and expenses for environmental compliance and compliance with Applicable Laws related to the MEA portion." In both PPAs, the MOA waived sovereign immunity. At no time before or during its joint ownership of the Project has the MOA ever asserted that its payment of its proportionate costs of the Project been subject to appropriation approval.

Project Owners knew we would not be able to release a draft proposal containing such option unless we were certain that using AWWU infrastructure for this purpose was even feasible. This required that we come to some level of understanding with AWWU about the unused capacity of its facilities, what exactly the use of such infrastructure might look like, and how certain key operational and legal issues would be addressed.

In August 2023, after the alternatives analysis pointed toward the Portal Valve Option, we began discussions with AWWU about what the potential use of their infrastructure for this purpose would look like. After multiple rounds of discussion and negotiation, we executed a term sheet in October, prior to Draft Program release, laying out the fundamental terms such an arrangement would take if included in a Final Program approved by the Governor. This term sheet was then extended in March 2024. We also then negotiated and agreed upon forms of three key agreements further detailing this arrangement and attached them as Attachments D to the SID.

It is very important to note what these agreements **are** and what they are **not**.

These agreements are, based on their terms, positive for AWWU. AWWU drove a hard bargain. Setting aside whether the AWWU Portal Valve option and the Proposed Final Program is adequate under the 1991 Agreement, the terms in the agreements are beneficial to AWWU and its ratepayers, and it therefore makes commercial sense for AWWU, as a utility, to agree to these terms. The Project Owners are covering all costs of constructing and interconnecting new facilities and indemnifying AWWU for risks associated with the Proposed Final Program, but AWWU still has design approval rights, and a say over the development of long-term operating procedures. AWWU will receive eight new bridges over the Eklutna River at the Project Owners' cost. The agreements will also address and extend AWWU's access to the Project Owners' water rights for Anchorage drinking water at a capped compensation rate lower than current costs; the new agreement dealing with such water rights and compensation replaces the 1984 agreement that expires in 2025. AWWU would also be gaining a right to purchase the Project Owners' water infrastructure used to transport AWWU's water allocation in the event that the Project Owners cease operating the Project, as well as rights to priority water rights without the need for further compensation at the end of the new public water supply agreement in 2060.

These agreements are not, however, effective without Governor approval of a Final Program with the AWWU Portal Valve option included. They reflect the negotiations of utility operators, engineers, and lawyers practically allocating costs, responsibility, and risks in a situation only where the AWWU Portal Valve option becomes a reality. The agreements also contemplate Assembly approval. The agreements, therefore, show the Governor that this option is fundamentally feasible and on what terms AWWU would be willing to proceed with such an option should it receive necessary approvals.

#### 4. Confidentiality During Negotiations Was Customary and Necessary; Documents Have All Since Been Released

There has been significant concern from the Assembly about the fact that the AWWU term sheet and form of agreements were negotiated confidentially, and that certain final aspects of the development of the Proposed Final Program were completed in secrecy. We find negative

aspersions related to our maintaining confidentiality during negotiations to be unfair and reflective of unreasonable expectations.

For the period from when the Project Owners filed the Draft Program on October 27, 2023, until we released our Proposed Final Program on April 25, 2024, we have been operating under a set of confidentiality commitments and expectations. When we started meeting with the federal and state agencies and NVE to attempt to resolve differences related to the Draft Program, as required by the 1991 Agreement, we agreed that, in order to foster open and frank discussions to reach agreement, we would hold such conversations and exchanges as confidential. Similarly, as we negotiated form agreements for water interconnection, transportation, and compensation for water supply with AWWU, we also agreed to keep those negotiations confidential until we reached agreement and submitted all materials to the Governor. Sensitive discussions and negotiations involving compromise are simply not conducted in an open public forum. As public utilities, we also do not negotiate our legal agreements about our important assets in public. We rely on being able to discuss operations, costs, and risks among ourselves and with our counterparties in confidence. Like any major business transaction, we also need to be able to deliberate and negotiate with counterparties and opposing parties with the candor and efficiency that confidentiality provides. The need for this type of confidentiality is widely understood, and in our experience, both private and public entities do not typically negotiate terms of agreements in public; when public approval is required, it is the final form of agreement that is released.

We always intended to release the final forms of term sheets and agreements to the public along with the Proposed Final Program, and we have now done so. Now that we have concluded both sets of negotiations, submitted the Proposed Final Program to the Governor, and released the AWWU form agreements, we can speak more freely about the component parts of the Proposed Final Program, significant changes since the Draft Program and our rationales, as well as the agreements reached with AWWU which remain subject to your approval.

# 5. NVE Has Been an Important Partner Throughout the Process and Will Continue to **Be Included During Implementation**

NVE has been and will continue to be an important partner to the Project Owners in the Proposed Final Program development process. We acknowledge and appreciate the losses and injustices experienced by the Eklutna Dena'ina on their historical lands along the Eklutna River. We are sympathetic to their ongoing desire to be a formal part of the decision-making processes about the Eklutna River and its habitat going forward. At this time, absent any clear authority to amend the 1991 Agreement, we have been and are committed to accord NVE a significant role in the consultation and program development process under the 1991 Agreement.

We first met with NVE as part of our initial consultation efforts when the process started. In April 2020, NVE requested formal recognition as a consulting government, with their Land and Environment Department analogous to other governmental signatories, for purpose and processes of the 1991 Agreement applicable to the Project. In a May 2020 letter to the Project Owners, NVE recognized that amending the 1991 Agreement may entail substantial time and effort, and as an alternative invited a joint letter from the Project Owners to the effect that the Project Owners will act in good faith to help mitigate impacts to the Eklutna River and that the Project Owners will

recognize NVE as a consulting government on a basis comparable to the governmental signatories to the 1991 Agreement. In June 2020, the Project Owners responded to NVE's request and committed to the following:

- > Providing significance and due weight to NVE's expertise throughout the development of the Fish and Wildlife Program;
- > Recognizing and including Traditional Ecological Knowledge (TEK) in the review and development of the study plans and Fish and Wildlife Program;
- Working with NVE to schedule additional meetings with the goal of hearing input from NVE and its members (one after the study program is completed and another following the development of the Draft Program) and coordinating with NVE on developing the agenda items for these meetings;
- Recommitting to sharing all study plans, data, reports, and comments directly with NVE when developed to seek feedback; and,
- > Submitting an NVE-specific comment summary to the Governor for consideration along with the Project Owners' Proposed Final Program.

As part of the process, NVE was involved in all Technical Working Groups, the alternatives analysis, and attempts to resolve differences. The Project Owners also met with the NVE Tribal Council on several occasions, and NVE submitted three preferred alternatives for analysis. All NVE comments are also summarized in their own Section 4.12 of the SID.

As part of this participation, in July 2023, NVE identified a replacement dam as a first preferred alternative, with year-round instream flows ranging from 350 cfs in July and August, 150 cfs in September and October, and 65 cfs throughout the winter, with channel maintenance flows of 700 cfs annually provided through a fixed wheel gate with upstream fish passage provided through a fish ladder. Downstream fish passage would be provided through spill. The Project Owners analyzed this alternative along with all others. It was not selected given high costs significant impacts on reservoir operations. In recognition of NVE's and the agencies' desires for more flows and fish passage, however, we included significant reopener provisions that would allow for (1) increased water flows through a fixed wheel gate based on ongoing monitoring of annual inflows to the lake and other criteria; and, (2) the construction and operation of fish passage facilities both into and out of Eklutna Lake based on increased feasibility (e.g. technological improvements or new, proven methodologies).

Following the completion of the alternatives analysis and after the publication of the Draft Program, in December 2023, NVE proposed a second preferred alternative requesting removal of the dam and decommissioning of the Project. The Project Owners responded by engaging engineers and hydrologists to conduct a high-level analysis of the technical risks and cost implications of this request. A memorandum documenting this analysis and the results is included in Attachment F to the SID. We did not select this alternative because we found that that the alternative would put Anchorage's water supply at risk and require substantial infrastructure changes to downstream infrastructure, with a cost of more than \$500 million.

Finally, on April 9, 2024, NVE proposed a third preferred alternative still centered on dam removal but also including requirements to obtain 40 MW of replacement renewable energy within 10 years and the obligation to construct and operate an alternative Eklutna River Release Facility through the construction of a pump station that would pump water from Eklutna Lake to the small pond upstream of Eklutna Dam, and then release water from the dam into the river year round. Even though such alternative came only two weeks before our planned submission to the Governor, the Project Owners still included initial analysis of this proposal in the SID (see page 71-73).

Further, throughout the entire study, consultation, and party negotiation process, we have been working closely with the federal agencies that are signatories to the 1991 Agreement and that have government-to-government consultation responsibilities with NVE. We understand that the agencies have been engaging with NVE as part of their responses to and collaboration with the Project Owners. NVE has therefore had a significant role, both with the Project Owners, and with the federal agency parties in developing the Proposed Final Program.

We recognize that ultimately, NVE may be disappointed that we determined we cannot agree to its alternatives to replace the dam, remove the Project, or build an alternative Eklutna River Release Facility. We remain, however, committed to working with NVE through implementation of the program. We have invited NVE to participate in the Monitoring and Adaptive Management Committee as an equal partner to the federal and state agencies. In that role, NVE will have equal voice in implementation of the limited reopeners as described above, and we will continue to look to NVE for their input going forward.

#### **Summary**

As stated earlier in this letter, we are proud of the work we have done over the past five years culminating in the submission of the Proposed Final Program. It represents an enormous amount of work from dedicated members of our team and stakeholders who have been integral to the process. It was conducted scientifically, transparently, and methodically, and met and exceeded all requirements of the 1991 Agreement. The resulting Proposed Final Program appropriately balances the many interests highlighted in the 1991 Agreement and includes meaningful measures to protect, mitigate damages to, and enhance fish and wildlife in the Eklutna River. The Proposed Final Program is also just the start of a long process to protect, mitigate damages to, and enhance fish and wildlife affected the Project. We look forward to the Governor's decision and are eager to begin planning for implementation.

Sincerely,

CHUGACH ELECTRIC ASSOCIATION, INC.

Mark Wiggin
Chair, Board of Director

Chugach Electric Association, Inc.

Arthur W. Miller

Chief Executive Officer

Arthur V. Willer

Chugach Electric Association, Inc.

#### **Attachment 1 – Proposed Final Program Development Process**

- ➤ Beginning in March and April of 2019, the Project Owners conducted in-person consultation meetings with 14 agencies and interested stakeholders, including NVE and identified additional interested stakeholders to be subsequently included in the consultation process. See Section 4.1 of the SID and Attachment A.
- Although not required by the 1991 Agreement, in 2020, the Project Owners also developed an Initial Information Package (IIP) for the process participants and the public, establishing a baseline of existing information and information for the study planning process to follow. A draft was distributed to stakeholders in March 2020 for review and comment, comments were incorporated, and the final was released in September of 2020. The <a href="Draft">Draft</a> and <a href="Final IIP">Final IIP</a> and all comments received are available on the Project website. All reference documents used to develop the IIP are available here.
- ➤ In April 2020, a Technical Working Group (TWG) of stakeholder and agency experts focused on aquatic resources was established to solicit technical input throughout study planning, implementation, and reporting. In October 2021, three more TWGs were established to address other resource areas, including the Terrestrial TWG, Cultural TWG, and Recreation TWG. The TWGs met regularly to assist in study planning and review technical information developed by the study program and by others. A total of 28 TWG meetings were held during the study program. The table below shows the entities that participated in each TWG.

Entity	Aquatics	Terrestrial	Recreation	Cultural
Native Village of Eklutna	×	×	×	×
Alaska Department of Fish and Game	×	×	×	
ADNR Chugach State Park			×	
ADNR Office of History and Archaeology				×
U.S. Fish and Wildlife Service	×	×		×
National Marine Fisheries Service	×			
Trout Unlimited	×		×	
Alaska Pacific University	×	×		
Project Owners	×	×	×	×

Table 4-1. Technical Working Group Members.

- Early study consultation efforts by the Project Owners began in 2020 and based on this work, the Project Owners then developed a Proposed Study Program Framework and presented it to the Aquatics TWG for comment, leading to revisions to the draft study plans based on such comments. Multiple agency and stakeholder meetings were held and the Project Owners received concurrence letters from all state and federal agencies signatory to the 1991 Agreement. Each version of the year 1 study plans, all comments received, and each of the concurrence letters are available on the Project website.
- Year 1 studies were then initiated in 2021 including an instream flow study, a geomorphology and sediment transport study, a fish species composition and distribution

study, a water quality study, a macroinvertebrate study, stream gaging, a lake aquatic habitat and fish utilization study, a lakeside trail erosion study, hydro operations model development, and an existing infrastructure assessment. TWG meetings were held in November 2021 to discuss preliminary results, and draft reports were distributed for TWG and other interested party review and comment in February 2022. Study reports were finalized based on comments. The year 1 study reports and all comments received are available on the Project website.

- > Year 2 studies were then developed with certain studies from year 1 continuing and with the addition of an engineering feasibility and cost assessment, a hydropower valuation study, a wetland and wildlife habitat study, a terrestrial wildlife study, a recreation study, a cultural resources study, and LiDAR and ortho imagery acquisition. Draft year 2 study plans were distributed to the TWGs in February 2022 for review and comment and meetings were held in March 2022 to address comments. The Project Owners received concurrence letters from each of the state agencies. The NMFS and USFWS also provided concurrence letters but only concurred with 10 of the 12 study plans. The federal agencies did not concur with the Geomorphology and Sediment Transport Study Plan or the Instream Flow Study Plan due to their uncertainty about the Project Owners ability to model higher flows without a significantly higher calibration flow. The Project Owners documented this area of nonagreement and distributed the Proposed Final Year 2 Study Plans and State concurrence letters to the Alaska Energy Authority (AEA) as the Governor's representative for review and feedback; however, the Project Owners did not receive any additional feedback from AEA. The Year 2 Study Plans, all comments received, and each of the concurrence letters are available on the Project website.
- Study results were presented to the Aquatics TWG, which then determined which potential engineering solutions should be advanced to phase 1 engineering which involved the development of 5% conceptional designs and cost estimates. Preliminary study results, potential fish and wildlife protection, mitigation and enhancement measures, and all comments received are available on the <u>Project website</u>.
- ➤ Over the spring and summer of 2023, the Project Owners then engaged in an alternatives analysis, another process not required by the 1991 Agreement but also not prohibited by it, and which we felt was necessary to bridge the gap between study reporting and development of a Draft Fish and Wildlife Program (Draft Program). The Project Owners reached out to the 1991 Agreement parties, the TWGs, and other stakeholders about participating. In sum, five meetings were held, and participants asked us to evaluate their preferred alternatives for facilitating Eklutna River instream flows, channel maintenance flows, upstream and downstream fish passage and other items. We analyzed each alternative carefully, looking at potential ratepayer and taxpayer impacts, acres of potential habitat gains for multiple fish species, capital costs, O&M costs, Replacement Energy costs, and costs per year per acre of habitat gained. The results were released at successive meetings to encourage discussion; with results summarized in the Draft Program distributed in October 2023 and the presentations are available on the Project website.

- After release of the Draft Program, per the requirements of the 1991 Agreement, the Agreement parties and NVE had 30 days to review and provide comments to the Project Owners. The Draft Program, Draft Summary of Study Results, and all comments received are available on the Project website. Responses to comments on the Draft Program are available as <a href="Attachment E">Attachment E</a> to the SID.
- ➤ Per the 1991 Agreement, the Project Owners were required to attempt to resolve differences with the 1991 Agreement parties giving due weight to their recommendations, expertise, and statutory responsibilities. The Project Owners held individual meetings with each of the parties in December 2023 to discuss their comments. The Project Owners continued to meet and negotiate with the parties through April 2024 and made substantive changes to the program based on these discussions. The Project Owners also met with NVE in December 2023 to discuss their comments on Draft Program and underlying interests.
- After meeting with the parties and NVE in December 2023 to attempt to resolve differences, the Project Owners were required to hold at least two public meetings, one in Anchorage and one in the Matanuska-Susitna Valley. The Project Owners ultimately held six public meetings, two in Anchorage, two in Palmer, and two in Eagle River. All six meetings were held in January 2024 and were an open house format with a brief presentation followed by an opportunity for participants to meet with the Project Owners and their subject matter experts, ask questions, and submit comments. The public comment period was open from October 27, 2023, through February 19, 2024. The Project Owners received a total of 1,672 public comments, including 1,299 form letters. Individual comments primarily addressed dam removal and the Draft Program, with comments supporting and opposing both dam removal and the Draft Program essentially evenly split. All of the form letters called for removal of Eklutna Dam; however, most of these form letters were from individuals out of state. The Public Comment Summary and Analysis is provided in Attachment G to the SID.