

MEMORANDUM

To: Shannon Ames

From: Patricia McIlvaine

Date: November 29, 2021

Subject: Recertification Recommendation – Goat Lake Hydropower Project, LIHI #26

This memo contains my recommendation for recertification of the Goat Lake Hydropower Project (P-11077) (the “Project”), a 4.0 MW facility located 6.5 miles north of Skagway, Alaska on Pitchfork Falls Creek, which is fed by a glacier at its south end. The lake is situated on a perched cirque valley at Elevation 2925 (MSL). The lake has a drainage area of 4.2 square miles, and lies east and south of the Skagway River. The lake is used as a natural reservoir without any dam. The Project received its license from the Federal Energy Regulatory Commission (FERC) in 1996, which was amended in 2003, 2005 and 2014. It also has a U.S. Forest Service (FS) special-use authorization, issued in 1996, to operate the project on the Tongass National Forest. The Alaska Department of Environmental Conservation (ADEC) waived jurisdiction under Section 401 of the federal Clean Water Act by letter dated October 3, 1994. The Project is owned by BBL Hydro, Inc; a wholly owned subsidiary of Alaska Power and Telephone Company (AP&T). It was originally certified under the 1st Edition LIHI Handbook in April 2007 and recertified in July 2013, again under the same Handbook edition. The Project was recertified under the 2nd Edition LIHI Handbook for a five-year period from October 23, 2016, expiring on October 23, 2021, extended to December 31, 2021. No previous certifications contained “Certification Conditions”.

1. Recertification Standards

This Project is being reviewed for recertification for the second time under the 2nd Edition Handbook. LIHI developed a streamlined application format for such projects to facilitate review in accordance with Handbook Section 6.1. Similar to the recertification process that was used in the 1st Edition Handbook, the current review verifies the information submitted, considers any public comments received, and assesses whether there have been any material changes at the facility or in the LIHI Handbook that affect compliance with the LIHI Criteria.

a) Adequacy of the Recertification Application Package

The application package was submitted on July 30, 2021. The initial review found the application to be complete, and no material changes have occurred in the Handbook or facility operation since the Project was last recertified by LIHI. Only one deviation (in the summer of 2018) from

the project's minimum flow requirements occurred during the past five years¹. FERC did not find the deviation to be a license violation. Clarification with the Applicant was sought regarding replacement of aging controls and upgrade of the alarm system to prevent delayed detection of possible future minimum flow deviations. The Applicant's September 28, 2021 response to my inquiry (Appendix A) indicated that the upgrades were made in late 2019.

Based on the lack of changes and good compliance record, I believe only a Stage I review is required. The application was posted on September 29, 2021 for the 60-day public comment which closed on November 28, 2021. Comments were received from Greg Albrecht, Habitat Biologist with the Alaska Department of Fish and Game (ADF&G) and Sean Eagan, Hydropower Coordinator, Habitat Division, Alaska Region of National Oceanic and Atmospheric Administration (NOAA) Fisheries. Both comment emails are on the LIHI website. Mr. Albrecht noted that Pitchfork Falls Creek offers no useable fish habitat when wetted and is frozen solid in the winter, and they continue to find it unnecessary to incorporate an ecological flow regime to support fish passage and fish habitat for this project. The Skagway River has a barrier to anadromous fish about three miles downstream of the hydroelectric facility tailrace. Mr. Eagan supported this conclusion.

Given the lack of any past or scheduled changes to the facility (other than controls upgrades) and its operations, I determined there were no questions requiring my outreach to any state and federal agencies or other stakeholders. Outreach done during the previous LIHI review did not identify any environmental concerns. I believe if any stakeholders had concerns, they would have identified them to LIHI during the public comment period. In my opinion, the materials now in LIHI's possession are sufficient to make a recertification recommendation and no Stage II review is needed.

b) There have been no "material changes" at the facility that would affect the certification.

In accordance with the recertification standards, "material changes" mean non-compliance, operational changes, and/or new or renewed issues of concern relevant to the LIHI Criteria. I do not believe the flow control and alarm system upgrades are "material changes". The description of the Project as noted on LIHI's website remains accurate.

Compliance Status

My assessment of the Project included review of the recertification materials, the last recertification reviewer reports, annual compliance statements, FERC's public records from the past five years, and follow-up with the Applicant. As there were no physical changes at the facility

¹ The minimum flow requirements per Article 105 of the FERC license is intended to provide aesthetic flows over Pitchfork Falls, and is not associated with habitat related goals.

in the past five years, the operational phase requirements of the Cultural Resource Management Plan, approved on April 15, 1997, were not triggered.

A search of the FERC elibrary from January 1, 2016 to November 24, 2021 revealed only one report of flow deviation, but no other non-compliance with environmental aspects of the Project. No stakeholder comments expressing concerns with the Project were received during the public comment period.

New/Renewed Issues of Concern

No other changes have occurred at the facility which affect the LIHI Criteria, and no issues of concern were identified. The application included the following updated information:

- There continues to be no fisheries habitat in Pitchfork Falls Creek even though rearing coho salmon have been recently found about 1 mile upstream of the confluence of Skagway River and Lillegraven Creek. Lillegraven Creek is a tributary about 1.5 miles downstream of the anadromous passage barrier on the Skagway River, making the nearest fish habitat about 3.5 miles from the Project, but still below the passage barrier.
- Waters of the project are not listed as impaired on the 2020 Alaska Integrated Water Quality Monitoring and Assessment Report, which was approved by the US Environmental Protection Agency (USEPA) on May 17, 2021. Processes for modification of Alaska water quality standards changed in March 2020, but these do not currently appear to affect project waters.
- There continue to be no federally or state protected species potentially affected by the project.
- Required annual meetings with the US Forest Service have been conducted as required, based on FERC record review.

c) LIHI's certification criteria have not materially changed since the previous certification was issued in 2016.

The LIHI Criteria have not materially changed from the original 2nd Edition Handbook issued in 2016 to the current Revision 2.04 issued April 1, 2020.

2. Conclusion

In light of the above, I recommend recertification of the Project for a standard five (5)-year term with no special conditions.

Appendix A
Applicant Response to Question

From: "James Baumgartner" <james.b@aptalaska.com>
To: "PBMwork@maine.rr.com" <PBMwork@maine.rr.com>
Cc:
Bcc:
Priority: Normal
Date: Tuesday September 28 2021 7:21:51PM
RE: Question on Goat Lake Project LIHI Application

Good afternoon, Pat.

I've re-read the original 2018 Ptichfork Falls flow minimum deviation report that Goat Lake Hydro sent to FERC and the 2019 FERC compliance response letter.

There was no action or request made of the licensee in the FERC letter, based on my read. Therefore, we have not provided a reply to FERC.

However, during the next construction season in 2019, we did replace our project communication line between the powerhouse and the intake from copper telephone line to fiber optic cable. We also replaced the programmable logic controller at the intake facility and reprogrammed the PLC for optimum project controls.

Let me know if you have any further questions regarding this event.

Best,

Jim Baumgartner,

Manager of Permitting, Licensing, and Compliance

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From: PBMwork@maine.rr.com <PBMwork@maine.rr.com>
Sent: Wednesday, September 22, 2021 5:36 PM

To: James Baumgartner <james.b@aptalaska.com>
Subject: Question on Goat Lake Project LIHI Application

Hi Jim

I am reviewing your Goat Lake Project application for LIHI recertification. Can you tell me if you have completed the minimum flow controls and alarm system upgrades as requested by FERC in their 11/25/2019 letter to you regarding the 2018 flow deviations? If you have, please send me a copy of correspondence to\from FERC documenting these changes. If they have not yet been completed, please provide me your schedule for their completion.

Thank you for your assistance.

Pat McIlvaine