

**PRESS RELEASE**

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## **AEA Announces Railbelt Large Hydro Decision** Susitna Project Deemed Primary

(Anchorage) – Today the Alaska Energy Authority (AEA) announced its recommendation that the Low Watana site on the Susitna River should be the primary hydroelectric project for Alaska’s Railbelt. The Chakachamna Project should be considered as an alternative.

Earlier this year, the Alaska Legislature provided funding to AEA for the preliminary planning, design, permitting and field work for the Susitna and Chakachamna Projects, as well as Glacier Fork and other hydroelectric projects. Primary focus was directed on the two large projects: Susitna and Chakachamna.

“Our goal has been to identify the project that has the best chance of being built,” said AEA Acting Executive Director Mike Harper. “A large hydroelectric project for the Railbelt should not only provide cost-effective, reliable, long-term power; it must help the state meet its goal of producing 50% of our power from renewable resources by 2025. We believe the Susitna Project does all this.”

AEA and its consultants evaluated cost, potential environmental impact and energy production of both projects. Additionally, because the Federal Energy Regulatory Commission (FERC) regulates the permitting and licensing of large hydroelectric projects and the process is lengthy, complex and costly, the evaluations included analysis of both projects to determine if either has a fault that would prevent its licensing and construction.

At this time, neither project has been found to have such a fault. However, the studies determined that while the engineering development of the Susitna Project would cost approximately 50% more than Chakachamna, there is greater risk of significant cost overruns at Chakachamna because of the steep terrain and extensive underground work required.

The evaluations further concluded that the Chakachamna Project has greater environmental impact because the project would require a cross basin water transfer. It was also determined that Chakachamna energy production would be substantially reduced to allow enough water flow to protect the lake’s significant salmon runs.

In summary, it was concluded that the Susitna Project would produce two to three times more energy and at a lower per unit cost; that Susitna has less likely environmental effects; that the project has fewer licensing and permitting complexities; that it can start sooner and involves simpler construction; and that it has a lower long-term operational risk factor.

Supporting documentation including reports prepared by HDR Alaska, Inc., R&M Consultants / Hatch Acres and Seattle-Northwest Securities Corporation can be accessed by visiting Alaska Energy Authority's home page, [www.akenergyauthority.org](http://www.akenergyauthority.org).

AEA will hold a series of public workshops on the Railbelt Large Hydro Project in February 2011. The workshop schedule will be published on AEA's website in January. AEA welcomes written comments, which can be emailed to [largehydro@aidea.org](mailto:largehydro@aidea.org); faxed to (907) 771-3044 Att: Large Hydro Project; or mailed to Large Hydro Project / Alaska Energy Authority / 813 West Northern Lights Boulevard / Anchorage, Alaska 99503.

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