



www.symbioticsenergy.com

Utah Office

975 South State Hwy.
Logan, UT 84321
435.752.2580

Idaho Offices

P.O. Box 535
Rigby, ID 83442
208.745.0834

515 N 27th Street
Boise, ID 83702
208.938.7901

Oregon Offices

2950 SE Stark Ste.
Suite 110
Portland, OR 97214
503.235.3424

2101 Main St.; Ste 202
Baker City, OR 97814
541.523.0400

Texas Office

5100 San Felipe Unit 244E
Houston, TX 77056
713.840.1489

July 9, 2009

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 1st Street, N.E.
Washington, DC 20426

Re: Meeting transcript for North Eden Pumped Storage Project, FERC
Project No. 13249

Dear Ms. Bose;

Please find enclosed an original copy of the transcript from the public meeting held for the proposed North Eden Pumped Storage Project, FERC Project No. 13249. Also enclosed is the Attendance List. The meeting was held June 3, 2009 in Garden City, Utah. The outline for the meeting was to describe the proposed project and allow for comment from the public.

If you have any questions or need additional information feel free to contact Justin Barker at justin.barker@symbioticsenergy.com or by phone at (435) 752-2580.

Sincerely,

A handwritten signature in blue ink that reads 'Brent L. Smith'.

Brent L. Smith
Chief Operating Officer
Rigby, Idaho

Public Notice FERC #13249 North Eden Pumped Storage Project

Pursuant to Federal Energy Regulatory Commission (FERC) Regulation 18 CFR 16.8(b)(3)(i), North Eden Hydro LLC will hold a meeting on Monday, June 3, 2009 at 6:00pm regarding the licensing of its North Eden Pumped Storage Project (FERC# P-13249). The meeting will be held at the Garden City Office, Conference Center, 145 West Logan Road, Garden City, UT 84028. The public is invited to attend.

The proposed agenda for the meeting will be as follows: description of the proposed project, potential resource issues and study methodologies, public comment. Presentation will be conducted by Symbiotics LLC.

Agencies and the public are also invited to the site visit, which will be conducted June 3, 2009 at 1:00pm. Due to the inaccessibility of the upper reservoir, this visit will be limited to the lower reservoir. Attendees shall meet at the mouth of North Eden Canyon along Cisco Road.

The North Eden Pumped Storage Project Preliminary Application Document (First Stage Document), which contains project specific information describing location, environmental setting, hydrology, physical features, operation, tentative study proposals and anticipated impacts, is available for public review at the Garden City Library, 145 West Logan Road, Garden City, UT 84028 during regular business hours. Additional copies will be available during the meeting.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

NORTH EDEN PUMPED STORAGE PROJECT

PUBLIC SCOPING MEETING HELD JUNE 3, 2009
GARDEN CITY CONFERENCE CENTER
GARDEN CITY, UTAH

Annette Loosle, CSR, RPR
379 South 455 East, Smithfield, Utah 84335

1 June 3, 2009

2

3

NORTH EDEN PUMPED STORAGE PROJECT

4

PUBLIC SCOPING MEETING

5

6 ERIK STEIMLE: I'd like to welcome you all to the
7 North Eden Pumped Storage Project Public Scoping
8 Meeting.

9 SPEAKER: I can't hear you.

10 ERIK STEIMLE: I'd like to welcome you all to the
11 North Eden Pumped Storage Project Public Scoping
12 Meeting. How's that? Is that a little better?

13 SPEAKER: Uh-huh.

14 ERIK STEIMLE: To start with this evening, I'd
15 like to encourage everyone to sign in on the sign-in
16 sheet, as we are going to have a formal mailing list
17 for the project and we want to make sure that everyone
18 who's interested in project documents can get in on
19 that mailing list.

20 My name is Erik Steimle. I'm the Director
21 of Environmental Compliance for Symbiotics and here on
22 behalf of the formal FERC applicant for this project
23 as North Eden Hydro, LLC. The formal FERC documents
24 number for this project is 13249. North Eden Hydro,
25 LLC is a wholly owned subsidiary of Symbiotics, and

1 Symbiotics is a hydroelectric development company
2 based out of Logan, Utah.

3 The first portion of scoping tonight is a
4 presentation about the project. For those of you that
5 reviewed some of the other documents, including the
6 preliminary documents, some of this information will
7 be reviewed but I will be presenting some other things
8 tonight that will aid in the scoping process. Again,
9 the purpose of scoping tonight is to gain your input
10 about the proposed project. Verbal and written
11 comments between now and the end of July will be
12 treated the same and we'll be using those comments to
13 form the studies that will need to be carried out over
14 the next couple of years when we put together the
15 application for the Federal Energy Regulatory
16 Commission at the end of that three year period.

17 Before I get started, I'm going to
18 introduce some of the other staff that we have with us
19 that will aid in the question and answer period.
20 First is the Project Manager for the North Eden
21 Project, Justin Barker. Our Fishery Biologist, Keith
22 Lawrence. And our Licensing Specialist, Corrine
23 Servis. With that, I will go ahead and get started.
24 I might also add that we do have a court reporter here
25 this evening, as we will be putting out formal

1 transcripts from this event as part of scoping. And
2 so during the question and answer session if you can
3 please state your name so that we can try and make
4 sure that we have a name to go with that comment or
5 question as we go through and try to scope this out.

6 So, to start with this evening, I'm going
7 to talk a little bit about Utah's electricity needs
8 and where we get our electricity from. For those of
9 you at the upper canyon public scoping meeting a year
10 or so ago, some of this information will be review but
11 we have updated a number of things since that time.
12 And then I'll go into a brief discussion about pumped
13 storage and energy projects, there are a number of
14 them in the west, the role the two play together, and
15 then I'll transition and talk about the North Eden
16 Pumped Storage Project specifically. I'm going to
17 talk about North Eden in comparison to the previous
18 project we proposed just over a year ago, the Hook
19 Canyon Pumped Storage Project, sort of where we
20 started and where we are now. Then I'll move into
21 discussion specifically about the project; I'll go
22 over project features, operations, resource impacts
23 that were outlined in the preliminary application
24 document, and then at the end I will outline some of
25 the project benefits we have identified at this time.

1 So this slide just has a few of the local
2 newspaper headlines that we've seen over the past six
3 or seven years looking at energy issues in the state
4 of Utah. Most people here didn't really seem that
5 concerned about the growing demand for electricity
6 until the rolling brownouts and blackouts that took
7 place in California in 2001. Growth and demand for
8 electricity is highly coordinated with economic and
9 population growth. As most of you are aware, the
10 state of Utah has one of the highest rates of growth
11 of any of the fifty states over the past decade.

12 I'd like to start by going over a couple of
13 terms that I'm going to refer to quite a bit tonight.
14 The first is peak power, or what I'll sometimes refer
15 to as peak electricity, and this refers to when
16 electricity demand is at or near its highest point.
17 Conversely, base load power refers to average hourly
18 use of power for a region in a year. And tonight I'm
19 going to just be talking about the state of Utah.
20 These two graphs that you see in this slide are taken
21 from Pacificorp's most recent IRP report. And, as
22 most of you know, Pacificorp operates here in Utah as
23 Rocky Mountain Power. The graph that you see on the
24 left there illustrates daily residential whole house
25 electricity use. You have powers of the day along the

1 X access, the demand along the Y access. And you can
2 see from this graph that electricity use for
3 residential homes peaks in the late afternoon hours.
4 This is the period of time people come home from work
5 and start using their appliances and turning their air
6 conditioning units on. And conversely, there's very
7 little demand during the night when they sleep. The
8 graph you see on the right-hand side represents
9 residential whole house electricity use in the state
10 of Utah across weeks in a given year. And as you can
11 probably imagine, peak electricity demand during the
12 year takes place in the late weeks of summer, again,
13 correlated with residential air conditioning use here
14 in the state of Utah.

15 This graph illustrates both the growing
16 demand for peak and base load electricity in the state
17 of Utah. Again, this information is taken from
18 Pacificorp's IRP report. You have demands for base
19 load for 2001, 2008, and then projected demands in
20 2016. Now, predicting future demands for base load
21 electricity is fairly straight forward, as it's tied
22 to economic and population growth, but predicting
23 demands for peak electricity is a little bit more
24 difficult as it's related to individual behavior. And
25 what I mean by that is that although, you know, a

1 utility or planner can figure out how many loads of
2 laundry let's say an average Utah family does over the
3 course of a year, it's not very easy for them to
4 understand when people are going to do those loads of
5 laundry. In the state of Utah the demand for peak
6 power is increasing at twice the rate as the demand
7 for base load power. So what that means is that
8 although our increase in use of electricity is
9 increasing at a fairly steady rate the period in time
10 in which we're using all of that electricity here in
11 the state of Utah is becoming much more concentrated.
12 And this poses a different problem for planners and
13 utilities as they do have to plan for that peak or run
14 the risk of having rolling brownouts and blackouts. So
15 as long as we continue to have that gap here in the
16 state of Utah planners and utilities will have to come
17 up with more flexible sources of electricity.

18 The idea of flexible electricity sources is
19 an important one. We talk about where we get our
20 electricity from here in the state of Utah. Right now
21 eighteen percent of all our power comes from coal
22 fired power plants. Coal is a great resource for
23 Utah. It's local and it provides an inexpensive source
24 for base load power. One of the challenges of coal
25 fired power plants is they tend to operate at the same

1 rate regardless of change in consumer demand. If you
2 go back to the previous slide and think about that
3 graph that you saw that illustrates demand for
4 electricity during hours of the day you'll see that
5 there's quite a difference between middle of the
6 night, late afternoon. So coal fired power plants
7 can't provide for short-term changes in demand in the
8 afternoon. And conversely, during the middle of the
9 night when there's less electricity demand, coal fired
10 power plants still operate at the same rate and if
11 there's not demands for that electricity that energy
12 is burned off in the form of steam.

13 When you think about that graph, looking at
14 peak and base load demand, there's a large increase
15 between 2001 and 2008 and the projected increases in
16 demand again by 2016. We're not having rolling
17 brownouts and blackouts in Utah, so where are we
18 getting this peak electricity? Natural gas fired power
19 plants are a great resource for peak electricity
20 demands, they can ramp up to speed in a fairly short
21 period of time. The problems with gas fired power
22 plants is they use a fairly expensive fuel source and
23 those costs are passed along to the consumer. They
24 also increase our reliance on fossil fuels and emit
25 carbon dioxide into the atmosphere. I've included a

1 pie chart here on this slide that shows you where Utah
2 got its electricity from in 2008. You can see that
3 natural gas plays a relatively small role in
4 comparison of sixteen versus eighty-two percent of the
5 overall portfolio. What I think is most dramatic
6 about this pie chart is that just eighteen months
7 earlier natural gas made up only seven percent of the
8 overall.

9 Some other alternatives to additional
10 generation of peak electricity demand include energy
11 conservation. This is the most efficient and least
12 expensive way to deal with electricity demands. As I
13 mentioned earlier, peak electricity demands are
14 correlated with individual behavior and so if we were
15 to use our appliances at different times of the day,
16 turn our air conditioning units off during the summer,
17 you could massively alter the demand for electricity
18 here in the state of Utah. And somewhat related to
19 this is a portion of Governor Huntsman's energy
20 efficiency policies which seek to increase overall
21 efficiency by twenty percent no later than 2015.
22 Another option to conservation and additional
23 generation is energy storage, and this is essentially
24 what the North Eden Pumped Storage Project proposes to
25 do. We propose to utilize excess capacity from our

1 coal fired power plants here in Utah to pump water
2 uphill into an upper reservoir and then energy would
3 be stored in the form of water in that upper
4 reservoir. During peak electricity demand water would
5 be released from the upper reservoir and power would
6 be available.

7 The graph you see in this slide takes
8 information from the graph you saw previously. Again,
9 it's numbers from the IRP report on base load and peak
10 electricity demands in 2001, 2008, and projected
11 demands in 2016 in the state of Utah. The difference
12 in this slide is that, again, it illustrates what the
13 demand would look like in 2016 if Governor Huntsman's
14 energy efficiency policy is fully realized in 2015 and
15 the North Eden Pumped Storage Project was on line in
16 2016. Those two projects working together is
17 eighty-four percent of Utah's projected electricity
18 demands in 2016.

19 I'd like to transition just a little bit
20 now. Some of you have probably heard a lot over the
21 last six months about the role of energy storage with
22 these new renewable projects. I've included a quote
23 here from Steven Chu, our new Energy Secretary.
24 There's a massive push for new investment in energy
25 storage, especially hydroelectric pumped storage, by

1 the new administration. This is all tied to the new
2 smart grid that would bring distant sources of
3 intermittent renewables, primarily solar wind from
4 distant resource areas to major load centers such as
5 Salt Lake City. The role that pumped storage really
6 plays in this is that it actually increases the value
7 of these renewables as it doesn't often -- the sun
8 doesn't often shine or the wind doesn't often blow
9 when there's a demand for electricity. So energy
10 storage plays a role in making sure that those types
11 of renewables can match consumer demand.

12 A lot has changed associated with pumped
13 storage just in the past twelve months. When we first
14 proposed the Hook Canyon project in 2007 there was
15 only one other pumped storage project that we knew of
16 on the drawing board in the U.S. and we virtually had
17 no competitors. As of last month we had seventeen
18 competitors and there's over 25,000 new megawatts of
19 hydroelectric pumped storage being proposed in the
20 U.S., and all of it is tied in some way, shape or form
21 to either the new smart grid or intermittent renewable
22 projects. The point of that presentation is just to
23 give you a general understanding of where this project
24 fits in the state's energy portfolio and how this
25 piece of infrastructure would fit not only now but

1 into the future.

2 I'd like to now start to talk about the
3 specific features of the North Eden project and start
4 by comparing the North Eden Project with the Hook
5 Canyon Project. As most of you are aware in this
6 room, we did propose an 1,100 megawatt pumped storage
7 project in the vicinity of Hook Canyon along the east
8 side of Bear Lake in 2007. The upper reservoir of
9 that project is highlighted right here on this map.
10 And just for a little orientation, as most of you are
11 aware, this is the eastern shoreline of Bear Lake.
12 The Hook Canyon project proposed using a portion of
13 Bear Lake as the lower reservoir itself. We released
14 a preliminary application document for that project in
15 the fall of 2007 and project scoping began in late
16 winter of 2008. We received hundreds of comments from
17 local citizens all the way up to the governor's office
18 and those comments alternatively killed the project
19 and the Hook Canyon Project ceased to exist in June of
20 2008. So we went back to the drawing board and tried
21 to propose a project, again, based primarily on the
22 comments we received in scoping that would use two
23 newly built artificial reservoirs, and in 2009 we
24 received a preliminary permit from FERC for what's
25 been titled the North Eden Pumped Storage Project.

1 And that project is delineated here just northeast of
2 the old Hook Canyon Project.

3 I'll go through some of these project
4 features pretty rapidly. Again, at the end during the
5 question/answer portion of the presentation this
6 evening, I can come back and we can talk about any one
7 of these. The project would build two new reservoirs,
8 the upper reservoir just under eleven thousand acre
9 feet in size, the lower reservoir just under fourteen
10 thousand acre feet. There will be a new penstock
11 connecting the upper reservoir to the powerhouse. And
12 then there would be seven transitional penstocks
13 connecting the lower reservoir to the pump-turbine
14 units themselves. We proposed seven pump-turbine
15 units of one hundred megawatt capacity each. And
16 there would be an addition of five miles of new
17 transmission lines. And finally, 5.3 miles of
18 upgraded access roads as well as just under a mile of
19 new access roads.

20 This is a USGS topographical that's
21 overlaid with the project features that I mentioned in
22 the previous slide, again, just for a little
23 orientation there. The east shoreline of Bear Lake is
24 just off the edge of the screen there. This is North
25 Eden Canyon. The access road that I was talking about

1 is delineated here in yellow and follows the southern
2 edge of the lower reservoir and then would come around
3 the upper reservoir. This area here in blue delineates
4 the upper reservoir itself. The lower reservoir is
5 here. The red line is the penstock and the small
6 square is the location of the proposed power house.
7 And then the other feature you see is the transmission
8 line which extends off to the east and interconnects
9 just south of the Idaho border.

10 This is an artist's interpretation, again,
11 of how pumped storage works. It's not specific to the
12 North Eden Project but it helps us illustrate how the
13 project would work. We propose to use excess capacity
14 from our full power plants here in Utah to pump water
15 uphill in the middle of night to the upper reservoir
16 and then energy would be stored in the form of water
17 in that reservoir and then during times of demand
18 water would be released and power would be generated
19 in the project's turbines. The daily exchange of
20 water between the two reservoirs would be dictated by
21 demand but the maximum daily exchange of water would
22 be just over ten thousand acre feet of water. This
23 project is about a third smaller in size than the Hook
24 Canyon project at seven hundred megawatts. And
25 maximum exchange rate of water between the two

1 reservoirs would be 13,160 cubic feet per second.

2 The primary question that we received with
3 this project, and also Hook Canyon, is that people
4 want to know how this could be considered a good new
5 clean energy project for the state of Utah and it's
6 going to use more energy than it's going to produce.
7 And it will. This is an energy storage project, it's
8 not a generation project, and it will use twenty
9 percent more power than it produces. Right now we
10 feel this is a better alternative to building new
11 natural gas-fired power plants along the Wasatch front
12 to meet our peak electricity demands here in the state
13 of Utah. And, looking to the future, we also know
14 that it's a vital piece of infrastructure ensuring
15 resources of intermittent renewables such as wind
16 projects here in the north and solar projects in the
17 south.

18 For those of you that reviewed the
19 preliminary application document, it was filed with
20 FERC in January of 2009, this is the list of resources
21 that were reviewed in the preliminary application
22 document. It's often referred to as the PAD or the
23 Base Line Environmental Assessment. I'm not going to
24 go through each one of these resources one by one but
25 we can come back and talk about every single one of

1 them, if you prefer, at the end. As you can see,
2 looking at these resources, the document includes
3 socioeconomic, cultural, as well as environmental
4 resources. Now again, the purpose of scoping this
5 evening is to gain additional input from you,
6 especially on these resource issues. Particularly
7 resource information or issues that were not addressed
8 in the preliminary application.

9 The second question that we've had with the
10 most frequency so far in this project is where are we
11 going to get the water. I would like to talk about
12 this particular resource issue. We do know that we'll
13 need almost fourteen thousand acre feet of water one
14 time for the fill of the system and because we're
15 pumping water back and forth between two reservoirs
16 the annual offset or the amount of water we'll need
17 annually is just related to evaporation, and at this
18 time we estimate that would be somewhere between two
19 hundred and four hundred acre feet per year. We are
20 talking with local land owners about the acquisition
21 of the appropriate lease for both of those sets of
22 fill; however, ultimately whether or not we can
23 establish a mutually beneficial relationship with
24 those land owners and ultimately whether or not we can
25 prove this project is in the public's interest will

1 determine whether or not it's off the ground.

2 This is my last slide. I've just outlined
3 some of the benefits associated with the project that
4 we've identified at this point. I've talked quite a
5 bit about the energy benefits. Again, clean source of
6 needed peak power. This project, along with Governor
7 Huntsman's energy efficiency measures, would be just
8 less than eighty-five percent of Utah's projected peak
9 electricity demands in 2016. And then, obviously,
10 storage infrastructure to support development of new
11 sources of intermittent renewable energy. Economic
12 benefits, there would be both direct and indirect
13 benefits associated with the project. Construction of
14 the project would be expected to exceed a billion
15 dollars and we do anticipate at this point that there
16 will be fifty to sixty permanent employees. That's
17 based on the number of employees associated with the
18 operation of the plants elsewhere here in the U.S.,
19 and those jobs range from everything from operation
20 engineers to administrative staff. There would be
21 additional property taxes realized to Rich County and,
22 finally, revenue to Utah schools, as a portion of the
23 project sits on federal lands.

24 So that is the end of the presentation
25 portion of tonight's scoping meeting. Before we start

1 the question and answer period, again, we are trying
2 to record this and include it in the record, so if you
3 can make sure that we can hear you as part of the
4 record that will be great. With that, I'm happy to
5 open it up for questions.

6 SPEAKER: (Carol Nebeker) Your numbers, you said
7 earlier two billion and thirty employees and now one
8 billion and sixty employees. Which is right?

9 JUSTIN BARKER: I can answer that question. When
10 I said two billion that includes a forty percent
11 contingency on the civil works just because we haven't
12 conducted the geotechnical studies, which is part of
13 this scoping process, and the study plans. We would
14 do that. That contingency is a large number and it
15 ranges between, I think, five hundred and seven
16 hundred million dollars. Just because we don't know
17 where we're going to get the source of materials for
18 the dams. Primarily because we don't know where the
19 clays are. And so there's a lot of uncertainties in
20 the construction associated with that. So, when I
21 talk about two billion dollars, that includes that.
22 Thirty permanent employees, I talk about operators
23 within the power plant and there may be ten on staff
24 at a time. I don't honestly know what that's going to
25 entail.

1 SPEAKER: (Carol Nebeker) So you are saying
2 really thirty and not really sixty?

3 ERIK STEIMLE: We're required, during the scoping
4 process, to get an idea of what the numbers might be.
5 These are the numbers that are available from the
6 other projects in the U.S. that are of similar size of
7 somewhere between six hundred and nine hundred
8 megawatts. That's the best we can do at this point.
9 During the licensing process and definitely during the
10 final engineering phase these numbers will be much
11 more concrete and dealing a lot more with absolutes.

12 SPEAKER: (Ken Griffith) This is an opinion. Ken
13 Griffith, Ogden, Utah. I don't understand
14 why Symbiotics persists in pushing something like this
15 centuries old, two centuries more old, that is nothing
16 more than the modern concept of a water wheel in a dog
17 gone stream. The other thing is you are going to have
18 to use energy. I don't see that in the pitch. You
19 are going to have to use electricity to pump it up
20 there. That doesn't make much sense to me. I thought
21 you said there was an energy crisis, electricity
22 crisis. So you are going to use it and then -- I
23 don't see a presentation on whether you are going to
24 end up with more electricity generated than you used.
25 I listened to your presentation last year and I came

1 in here with the idea that this is the annual
2 Symbiotics carnival, you know, where you are selling
3 snake oil. Why are you pushing something that's
4 centuries old instead of going to windmills -- I mean
5 wind turbines? It seems to me you would be pushing
6 that. Now, is Rocky Mountain Power represented here
7 tonight?

8 SPEAKER: No, they're not.

9 ERIK STEIMLE: They were at our site visit
10 today.

11 SPEAKER: (Ken Griffith) Here's something to
12 consider. Every time I get a bill, you know, they're
13 pushing blue sky. What's blue sky?

14 ERIK STEIMLE: It's a renewable energy Pacificorp
15 has where you can sign up on your bill.

16 SPEAKER: (Ken Griffith) Now, the other thing is,
17 what chance do you have of an earthquake with these
18 dams? What chance is there where it would pour down
19 and wipe out the cottages down there? My question is
20 also it seems to me you are going to put sediment into
21 the North Eden Creek, that's what you say.

22 ERIK STEIMLE: Okay.

23 SPEAKER: (Ken Griffith) Does that lead into Bear
24 Lake?

25 ERIK STEIMLE: Let me make sure I have all of

1 your questions. The first question was: Is this
2 project going to produce more energy --

3 SPEAKER: (Ken Griffith) Why do you persist on
4 using a century old concept here when you've got wind
5 energy? There on the first part of the presentation
6 it seemed to me there was a prominent member of our
7 society that said that if we can put a man on the moon
8 we could also solve the problem with burning clean
9 coal. So, I mean, I just don't understand why.

10 ERIK STEIMLE: Right. Well, let me see if I can
11 try to answer your questions. And if I leave one out
12 please let me know that I'm not addressing it. To
13 start with, the project will use more power than it
14 generates. It's an energy storage project.

15 SPEAKER: (Ken Griffith) That should kill it,
16 shouldn't it?

17 ERIK STEIMLE: The demand for this project and
18 the crisis I talk about has to do with peak
19 electricity which is a type of electricity associated
20 with individual behavior. It's not -- you know, it's
21 not base load electricity. You could solve the crisis
22 totally if people were willing to unplug their
23 air-conditioning units across the Wasatch Front during
24 the summer. There would be no energy crisis
25 associated with peak electricity. So that's an option

1 there for conservation.

2 How this project can work, particularly
3 here, associated with peak electricity, has to do with
4 the fact that Utah is unique, more so than any other
5 state in the West. We rely more on coal more than any
6 other state in the West. And because of how coal
7 plants operate we are able to utilize capacity from
8 those plants during the middle of the night when that
9 energy doesn't go onto the grid. And so it is a user
10 of energy but the way that we are dealing with it
11 right now in the state of Utah is to build additional
12 generation on top of that coal generation. So to use
13 the analogy, whether it's appropriate or not, of
14 buying electricity when there's much more available;
15 buy low, sell high. That's the idea.

16 Let me see if I can just move through your
17 questions. I think the next one had to do with renewal
18 of energy specifically and why we're not proposing
19 wind projects or new solar projects. Again, we are a
20 company that specifically chooses to work on
21 hydroelectric projects, not all of them are pumped
22 storage. We have a lot of river style projects
23 throughout the United States. We got into the
24 business of pumped storage because of new wind
25 generation and Western United States. The slide I had

1 up there associated with the wind fleet shows -- well,
2 at this point, let me give you an example. Bonneville
3 Power Administration, they expected that they would
4 have somewhere between eight and ten thousand new
5 megawatts of wind they would have to integrate into
6 their system in the early 2020's, that will be on line
7 by November, with an additional six to eight thousand
8 megawatts of wind coming on line just in the next four
9 years. And so early on when they were able to
10 integrate these intermittent sources of renewables it
11 wasn't much of a deal but now there's some serious
12 issues in the system because the wind doesn't always
13 blow and the sun doesn't always shine and the
14 consumers want to turn their television or their
15 appliances on. And so that's where energy storage
16 comes into play. Now, the U.S., we're working with
17 state renewable standards. There may be a national
18 standard, they're working on one right now in D.C.,
19 that's speculative, I don't know what will happen.
20 Where it stands now is there are twenty-eight states
21 that have renewable standards. And specifically to
22 wind, the feds are looking to other countries that
23 have integrated a lot more wind, such as Spain and
24 Germany, and their models in those countries have been
25 for every new six megawatts of wind that comes on line

1 there needs to be one megawatt of energy storage.

2 Pumped storage is not the only form of
3 pumped storage, you are right, it's been around
4 forever. There's flywheel technology, there's battery
5 technology, but right now hydroelectric pumped storage
6 is the most tried and true. It's been in use since
7 the 1890's in Europe. So, that's how we ended up in
8 this business.

9 SPEAKER: (Ken Griffith) The last one is
10 sediment, what about the sediment?

11 ERIK STEIMLE: And then also dam safety standards
12 as well dealing with earthquakes. As far as sediments
13 go in the system -- Justin, would you like to talk a
14 little bit about that?

15 JUSTIN BARKER: Well, we have to gain 401
16 Certification, which is water quality certification,
17 so we can't be releasing sediments into North Eden or
18 into Bear Lake. We have to prove that we can show
19 that we're not going to degrade the water quality
20 within the system. So, to answer your question about
21 sediments, we have to prove that we're not going to
22 put sediment into the stream which opens up into Bear
23 Lake.

24 SPEAKER: (Ken Griffith) I thought your study
25 showed that you are going to be or you could be

1 releasing it during construction, you know, petroleum
2 products. And does the North Eden Creek pour into the
3 Bear Lake?

4 JUSTIN BARKER: It does empty into Bear Lake.
5 When we talk about spills and soil erosion control
6 these are to say there is a potential for that during
7 construction; however, we'll put up seal fencing,
8 we'll work extremely hard through better management
9 practices to ensure that that does not happen.

10 ERIK STEIMLE: The purpose of mentioning those
11 potential issues in the preliminary application
12 document is to get the comment that you just made,
13 that's kind of the purpose of the document. There's a
14 number of measures and a number of engineering
15 features that will have to be built into this project
16 over the next couple of years before we can actually
17 file a comprehensive application. And so your comment
18 tonight saying that, you know, obviously the
19 preliminary application document does not address
20 those well enough will then put the burden back on us
21 to either perform a study or ensure that that
22 component is in that finalizing stage.

23 SPEAKER: (Ken Griffith) All right. My second
24 comment, with due respect to you folks, is I don't
25 know why in the second year here you still want to

1 jeopardize, you know, Bear Lake. I don't know why the
2 people in Logan want to even try to jeopardize the
3 condition of Bear Lake, which is one of the two
4 probably turquoise lakes, you know, in the United
5 States. Peace.

6 KEITH LAWRENCE: How would we jeopardize it?

7 SPEAKER: (Ken Griffith) The sediment running --

8 KEITH LAWRENCE: The way the process works is
9 that you propose how you are going to maintain water
10 quality and the State of Utah Department of
11 Environmental Quality reviews that. It is their
12 charge to enforce those standards under the
13 Environmental Protection Agency.

14 SPEAKER: (Ken Griffith) How effective has the
15 State of Utah been in the past on environmental
16 conditions and environmental protection?

17 ERIK STEIMLE: I might add, too, with most of our
18 other projects, we are required to pay the State
19 Department of Environmental Quality once the project
20 goes on line every year for the fifty year license for
21 them to review the project and at any moment if it
22 comes out of compliance the project shuts down.

23 SPEAKER: (Ken Griffith) It just seems like a
24 century old concept.

25 SPEAKER: (John Spiller) I just have a question

1 as it relates to -- you have a bullet point that said
2 clean energy plan. If you are consuming more energy
3 than you are giving off and eighty-five percent of
4 that consumption is a result of coal, which you say it
5 was kind of a dirtier source. So, to me, especially
6 with the cap and trade standards that they are
7 proposing, it would seem like you would be in jeopardy
8 as it relates to cap and trade in the future because
9 your cap and trade would be a lot higher, you would
10 not be given as many credits. So the cap and trade,
11 as I'm sure most of you have heard, is basically a
12 credit given to certain producers, or all producers,
13 and then if you have x-amount you can sell those off
14 as a clean energy project. I think the bullet point
15 could be misleading when it says clean energy. To me
16 it's misleading because when it says clean energy I
17 expect clean energy and if you are using twenty
18 percent more than eighty-five percent of that being
19 done by coal can you explain how you can view this as
20 clean energy versus just peak energy?

21 ERIK STEIMLE: Sure. Right. That's a great
22 comment. I apologize if that's misleading. We feel
23 that it's a clean source of peak electricity in
24 comparison to building new natural gas-fired power
25 plants, as the coal fleet is the status quo, so the

1 carbon dioxide associated with our coal fleet goes
2 into the atmosphere regardless of that demand. So we
3 can take advantage of that and provide that peak
4 electricity in a manner that we do feel is cleaner
5 than new natural gas-fired power plants which also
6 increase additional reliance on fossil fuels and more
7 carbon dioxide.

8 As far as the cap and trade program, I
9 mean, we're still kind of holding our breath on how
10 all of that's going to shake out. Again, Utah is
11 unique in that they have a specific demand for energy
12 storage now that's not related in the short-term to
13 renewable energy. But there's a reason why this
14 project is sited so near the Gateway West Project, as
15 that's part of the new smart grid, to bring new
16 sources of wind energy from the Midwest to load
17 centers.

18 SPEAKER: (John Spiller) I think that would be a
19 big risk from you guy's perspective if your cap and
20 trade is such and you don't really understand that,
21 that what if there's this big, you know, reservoir
22 sitting out there and a few years later, you know, we
23 can't compete because of a cap and trade. We're a net
24 consumer and we just have this big reservoir.

25 ERIK STEIMLE: Right. We don't necessarily rely

1 on cap and trade because we will have a power purchase
2 agreement. And where we're seeing this from wind now
3 especially is that they're not relying on cap and
4 trade. Basically their issue is that there's
5 twenty-eight states that have renewable portfolios and
6 now they're having a hard time getting integrated into
7 that system. They can't propose a new project in a lot
8 of areas because there's no storage. In the past
9 we've used traditional hydro but there's a lot of new
10 constraints from misuse of that water and also
11 requirements for fish where they can't just ramp these
12 projects to meet the integration service demand of new
13 wind projects. So we're working with them directly on
14 what their demands are for storage with the wind they
15 are now proposing in Wyoming. So, that's where we're
16 going. But, you are right, some of that is
17 speculative on our part.

18 SPEAKER: (Robert Wallace) If you people really
19 want public opinion why did you pick this particular
20 time, this particular day, when no one is at the Bear
21 Lake and none of the users of the Bear Lake are here,
22 or few of them. You picked the quietest time of the
23 season and I just wonder why. An awkward time of the
24 week, an awkward time for people to get here. It's
25 just inexplicable to me why today.

1 JUSTIN BARKER: I can answer that question. We
2 were going to hold it on Friday before Memorial Day
3 weekend. We sent a letter to FERC --

4 SPEAKER: (Robert Wallace) That's even worse.
5 You knew that.

6 JUSTIN BARKER: Well, we asked FERC what they
7 thought and they suggested that we hold it because we
8 don't want to impair anyone's precious vacation time.

9 ERIK STEIMLE: Let's hold on. Your point is
10 valid, I think. When we had the first scoping
11 meetings we had them in April and for those of you who
12 were there, I'm talking about the Hook Canyon Project,
13 it snowed twelve inches that day, there was fog across
14 the lake, and there was numerous comments in the
15 record that it was a poor time.

16 SPEAKER: (Robert Wallace) Perfect day from your
17 point of view.

18 ERIK STEIMLE: We had three hundred and fifty
19 people come out for the public scoping meetings. So,
20 I mean, it was a pretty good turn out. But again, we
21 thought we would try and hold public scoping in the
22 summertime when there would be more summer residents.
23 So, if we're a little early in the season -- we had a
24 conversation with Bear Lake Watch, we're interested in
25 working with them. If there's periods of time during

1 this process that would be better to engage the
2 public, not around a holiday but different portions of
3 the summer, we're very happy to do so. We want this
4 project to be transparent and, you know, we can hold
5 meetings every six months or quarterly to let you know
6 how we're working through this process. We don't
7 intend this to be a closed door process at all.

8 KEITH LAWRENCE: And I might also note that this
9 is not the only time that the public can have
10 commentary. There's sixty days to have official
11 commentary on the plans and when they come out in
12 draft form then there's another thirty to sixty days
13 to comment on that and then through the process, I
14 think, as Erik is saying, there are multiple
15 occasions. It is basically up to the applicant and
16 the public about how often we want to get together.
17 And that can be arranged. And I must say that I
18 personally take offense that we would schedule this at
19 a time when few people could get here because we do
20 want public input and we value it very highly. No one
21 is accusing the public of doing anything underhanded.
22 I certainly am not. That's not our intent at all.

23 SPEAKER: (Robert Wallace) That's just the
24 appearance.

25 KEITH LAWRENCE: Sometimes that's just the way it

1 comes out. Not at all. Again, there are many times
2 for people to come. Some may seem more opportune than
3 others. We do the best we can. Sometimes it's just
4 when the PAD is submitted and during a certain period
5 of time we have to have the meeting and so forth. And
6 so that's the way some of it comes out.

7 SPEAKER: (Robert Wallace) I don't want to insult
8 any of you but it does seem sneaky to us.

9 JUSTIN BARKER: We are required within sixty days
10 of approval for the traditional licensing process to
11 hold a meeting. So we're constrained within a thirty
12 day time period to hold that window. It was supposed
13 to happen on the 21st of May and we asked FERC and
14 they thought it was a bad weekend because everybody
15 would be on vacation, and we get skewered for that, so
16 we asked, you know, can we hold it two weeks later and
17 they said fine.

18 ERIK STEIMLE: I might just add to that, to make
19 a little more sense, first default licensing process
20 for any hydro project is what they call integrated
21 licensing process, and that's what we entered into in
22 Hook Canyon. Over half the comments we received from
23 the public during scoping disliked the process. FERC
24 runs that process. They have very strict deadlines
25 for comments, public meetings, and for when a person

1 can become an official stake holder in the process.
2 PAD, the second we file that, we petition to have the
3 traditional licensing process, which is what we're
4 into in this project. The similarity between the two
5 processes is that we have to file an application
6 within our three year time period to receive a permit,
7 so we will be filing an application before January 1st
8 of 2012. But the difference in the traditional
9 licensing process is that those deadlines aren't
10 fixed. You can become a stake holder at anytime.

11 The sixty people that are here this
12 evening, you can comment at this point or you can
13 comment sixty days from now, you can comment one
14 hundred days from now, and if a year through the
15 process if six thousand new people decide there's
16 something that they don't like about the project they
17 can automatically become stake holders and FERC cannot
18 tell them that they are out of place. So, that is the
19 process that we are in here. So if there are portions
20 of this that would be more accommodating to the public
21 we can make those alterations because we have that
22 flexibility.

23 SPEAKER: (Al Snyder) Not to belabor the point
24 but your advertisement here was for a meeting to be
25 held on Monday, June the 3rd. That's not the right

1 time. It was at the wrong address. So it's
2 suspicious. It was over at 145 West Logan, which is
3 the city office and fire station. I had to find the
4 place here. So, do better next time.

5 My question is: I'm kind of wondering if
6 you could comment or at least address it -- if not now
7 then later -- where this mysterious water is going to
8 come from to fill up your reservoirs. Now, you say
9 the land owners. I assume that they're not going to
10 drill holes and pump out of the aquifer, if there is
11 one up there. And I assume that they're not going to
12 pull it out of the Bear River unless they have enough
13 rights to fill it. And so I'm questioning: Do you
14 guys know if you can really get water to fill it
15 without tapping the Bear River which is a community
16 river that goes into Idaho back down through Cache
17 Valley and out to Weber County or -- I mean, that is
18 key to me of where is that water going to come from
19 and is it really there and how long is it going to
20 take you to fill the reservoir's basin of water you
21 can get. And the other thing on water is I worry
22 about the drainage now from these two reservoirs.
23 There is snow melt that is filling this lake. We can
24 just look out there and can see that the lake's a
25 third down. It's a reservoir, it's been pumped down

1 all the time, and will this impact the level of this
2 lake by not having other water come into it or natural
3 from the snow and the rains coming down? You know,
4 what is the impact going to be when changing the water
5 in that area?

6 JUSTIN BARKER: To answer your first question,
7 where are we going to get the water, last year we met
8 with one of the state agencies and what they told us
9 is a one time fill such as this is not a water right
10 but a water purchase, and that water right can be
11 purchased from anywhere within the Bear River Basin
12 since we are within one large basin. So water rights
13 could come from possibly Woodruff Reservoir upstream,
14 Woodruff Reservoir, it could come from the Bear River
15 Canal Company. We have not started those
16 negotiations. That initial fill could come from any
17 of those places. And it's just a purchase of water.
18 What we'd have to do is pay the water rights holder,
19 we would have to pay them not to farm, and the
20 duration of time that that fill would take could take
21 as many as three years. It really just depends on the
22 annual allocation of water. Preferably we'd like to
23 fill it as soon as possible but that might be a big
24 problem because that's a lot of water. But taking it
25 over the course of two to three years we're talking

1 about, you know, four to seven thousand acre feet.

2 SPEAKER: (Al Snyder) So the farmers who depend
3 on that water will be shorted while you are filling?

4 JUSTIN BARKER: We would be purchasing that water
5 and paying them not to farm the crops for their
6 water.

7 SPEAKER: Have you heard about desertification
8 where the ground water is taken away from farms like
9 in Southern Utah? Las Vegas wants to take their water
10 away. Isn't that what you are proposing here to take
11 away from the farmers?

12 JUSTIN BARKER: We'll negotiate to purchase that
13 water.

14 SPEAKER: Yeah, but that means his field would
15 not be cultivated.

16 JUSTIN BARKER: That would have to be an
17 allocated water because that is an annual depletion
18 within the system.

19 SPEAKER: Can you say at this time the water
20 would not come from Bear Lake?

21 JUSTIN BARKER: For the initial fill?

22 SPEAKER: Yes, of course.

23 JUSTIN BARKER: We would rather not pump it from
24 Bear Lake. We don't want to pump it from Bear Lake.

25 SPEAKER: You are not answering the question.

1 JUSTIN BARKER: I can say that we will not pump
2 it from Bear Lake.

3 SPEAKER: (Janet Wallace) My question: How are
4 you going to get the water to the reservoir? That's
5 the question. How are you going to get the water to
6 the reservoir?

7 JUSTIN BARKER: Well, we have looked at it and
8 it's six miles from the Bear River up over the top
9 from Cokeville. It's a fairly long lift but it's
10 possible.

11 SPEAKER: (Janet Wallace) So you are going to
12 pump water?

13 JUSTIN BARKER: It's completely possible.

14 SPEAKER: (Janet Wallace) Is it economically
15 feasible?

16 JUSTIN BARKER: It is actually economically
17 feasible if taken over the course of two to three
18 years.

19 SPEAKER: (Janet Wallace) So the reality is that
20 water would be coming into Bear Lake?

21 JUSTIN BARKER: But that same water is an
22 allocated water right. It could come out of Woodruff
23 Reservoir but it is not Bear Lake water. It is an
24 allocated water right.

25 SPEAKER: (Marshall Felts) Marshall Felts, land

1 owner, right smack out of North Eden Point. So if
2 that damn dam breaks I'm in trouble. A number of
3 years ago in Johnson's Reservoir, they had a reservoir
4 up there, when that broke, it brought down limbs,
5 trees, trunks, everything, down onto our lot years
6 ago. That was a small reservoir. I'm seeing your
7 reservoir is a half a mile long, it needs thirteen
8 thousand acre feet to fill it. How deep is that going
9 to be; two hundred feet, three hundred feet, one
10 hundred and fifty feet? That's a rhetorical
11 question. I know you don't have the answer. If that
12 thing were to break, whether it be a seismic break --
13 right, wrong, good or bad, our homes at that point are
14 gone. Would you like to provide me with flood
15 insurance? I don't think so.

16 SPEAKER: What about our home values?

17 SPEAKER: (Marshall Felts) The water is a huge
18 issue for all of us. Not just the storage of it but
19 when you are talking about -- we, North Eden Estates
20 out there, get our water from an underground aquifer
21 drilled by the Johnson's. I'm assuming you are
22 leasing this property from the Johnson's and the
23 school board, correct, that's my assumption? I'll ask
24 him later how much he's getting for it. But there's
25 no guarantee that I can see, that I'm being told, that

1 the underground aquifer that now feeds our
2 subdivision, plus the subdivision that Keith owns,
3 won't be tapped into. If that were the case, our
4 water is gone, see you, bye, history. Thirteen
5 thousand acre feet, good bye. What guarantee do we
6 have as home owners out at that point, speaking
7 selfishly, that that will not happen? That's one of
8 about six questions I have. Answer that one first,
9 please.

10 ERIK STEIMLE: Yeah. First off, I'll try to
11 answer the first one and then maybe Justin can answer
12 that as well. The diversions that were built up there
13 before I don't believe had any federal or state dam
14 safety requirements at the time they were built.
15 These projects would have very strict federal dam
16 safety requirements. So maybe that doesn't --

17 SPEAKER: (Marshall Felts) That doesn't give me a
18 lot of comfort.

19 ERIK STEIMLE: Okay. For your other question,
20 it's ultimately not us that will decide, you know, the
21 impacts of this project. The U.S. Fish and Wildlife
22 Service has raised the same question that you have,
23 the Department of Natural Resources has, a number of
24 state and federal agencies will be reviewing this
25 application and making sure that we have all of those

1 answers.

2 SPEAKER: (Marshall Felts) So at this point in
3 time there are no answers, correct? When you say you
4 are going to take off of Woodruff Reservoir, Bear
5 River, if you take off of Bear River there goes about
6 three or four more feet off the peninsula out at North
7 Eden.

8 ERIK STEIMLE: I think, to answer your question
9 directly, no, there's not a lot of answers, there's
10 not a fine tune answer to that question at this point
11 in time. But -- well, do you want to --

12 JUSTIN BARKER: Why, by pulling it out of the
13 Bear River, would it be taking three or four
14 feet --

15 SPEAKER: (Marshall Felts) The Bear River feeds
16 Bear Lake.

17 JUSTIN BARKER: Well, I realize that.

18 SPEAKER: (Marshall Felts) If you are taking it
19 from Bear River you are taking it from the lake.

20 JUSTIN BARKER: It's taken from an allocated
21 water right.

22 SPEAKER: (Marshall Felts) Allocated or not, it's
23 taken from the lake.

24 JUSTIN BARKER: It's taken from the Bear River
25 system. Let me explain it to you. Water that is

1 stored in Woodruff Reservoir is not Bear Lake water.
2 That is Bear River water stored in Woodruff Reservoir,
3 just like the allocated water rights on Bear Lake are
4 stored in Bear Lake for down stream water rights.

5 SPEAKER: (Marshall Felts) You are going to empty
6 Woodruff Reservoir in about ten seconds. That would
7 be a drop in the bucket to fill your reservoir there.

8 JUSTIN BARKER: Woodruff Reservoir is fifty
9 thousand acre feet.

10 SPEAKER: (Marshall Felts) A drop in the bucket,
11 like I said. How much are you? Thirteen plus what?
12 What is your total?

13 JUSTIN BARKER: Thirteen thousand acre feet for
14 the initial fill and after that two hundred to four
15 hundred acre feet.

16 SPEAKER: (Marshall Felts) Is Woodruff really
17 fifty thousand?

18 JUSTIN BARKER: Uh-huh.

19 SPEAKER: (Marshall Felts) Okay. I stand
20 corrected on that one.

21 JUSTIN BARKER: As far as the ground water, we
22 have to ensure that we do not affect your ground water
23 rights. We won't be pumping any water on the Delta.

24 SPEAKER: (Bonnie Felts) You talked about the
25 evaporation thing. I think you are way

1 underestimating that. You are talking about a one time
2 water purchase. You are going to have to purchase
3 water every year to fill that up because you've got
4 ground that that's seeping into, let alone the
5 evaporation. You are not lining that whole reservoir.

6 JUSTIN BARKER: Yes, we are lining it.

7 SPEAKER: (Bonnie Felts) The entire thing?

8 SPEAKER: (Janet Wallace) The bottom one you said
9 you weren't lining.

10 SPEAKER: (Bonnie Felts) The bottom one you told
11 us you were not lining.

12 SPEAKER: (Janet Wallace) The bottom one you said
13 you weren't lining.

14 JUSTIN BARKER: Well, we talked about it and
15 we're going to look at the rock structure. So it's
16 something that we're going to have to look at. We
17 haven't begun to engineer these structures.

18 SPEAKER: (Bonnie Felts) I think it will be a
19 major water purchase every year.

20 JUSTIN BARKER: I can tell you that the
21 construction budget for this project that looks at
22 return on investment looks at lining both of them.

23 SPEAKER: (Ron Jensen) My question is: What do
24 you folks plan to return to the community? The state
25 lands are in Utah, property taxes to Rich County, Bear

1 Lake County is right adjacent to it, what does Bear
2 Lake get, what do you plan to do about infrastructure,
3 roads. This is a significant project. What are you
4 going to do about access to it?

5 JUSTIN BARKER: That's a good question. I mean,
6 what Bear Lake County is going to get I don't know.
7 The project is not in Bear Lake County. It's not
8 going to get tax revenue but there's going to be a lot
9 of socioeconomic benefits. There's going to be jobs.
10 With industry tax revenue like this it has the ability
11 for the county to improve the infrastructure.

12 ERIK STEIMLE: I can add to that as well. We
13 don't do the review, the applicant doesn't do the
14 review, the Federal Regulatory Commission does that,
15 and they will start that process once we submit
16 application for the project in January of 2012. In
17 that they will give you a thorough economic and
18 socioeconomic review of the project where they assess
19 jobs, school budgets associated with what the exact
20 impact of this project would have on those resources.
21 So those will be known items prior to the decision on
22 this project.

23 SPEAKER: That's for Rich County or Bear Lake
24 County?

25 ERIK STEIMLE: For Rich County.

1 SPEAKER: The roads, are they going to go through
2 Bear Lake County?

3 ERIK STEIMLE: At this time we have no plans for
4 roads through Bear Lake County.

5 SPEAKER: Are you going to be driving your trucks
6 up and down the road through Bear Lake County, are you
7 going to be going north at all?

8 ERIK STEIMLE: I can't answer that question.

9 SPEAKER: Have you ever really considered what
10 that road is like on the east side of the lake? It's
11 totally inadequate.

12 SPEAKER: You know, a project of this size will
13 use an awful lot of heavy equipment and that's going
14 to tear up that East Shore Road, you know, even up in
15 Bear Lake County too, and we live on East Shore Road.
16 Is the land owner or the county tax payer going to
17 have to pay for the resurfacing of that total road or,
18 you know, who pays for that?

19 ERIK STEIMLE: That's a good question. Again, I
20 would refer back to the economic review that will be
21 part of the final EIS or EA of the project that FERC
22 will do. Again, when these projects are licensed the
23 local communities are not expected to bear the burden
24 of the infrastructure costs, if there are large
25 infrastructure costs, of a project of this size. So

1 those answers will have to be addressed.

2 SPEAKER: It seems to me, very simply in my head,
3 that this is a very expensive project and it doesn't
4 make sense to me that you people are going to make any
5 money. So my question would be: At what point during
6 the whole process do you expect to get government
7 money, federal. There must be a plan for that.
8 Please answer that.

9 ERIK STEIMLE: There are no federal incentives
10 for hydroelectric pumped storage. There are a number
11 of incentives in there for renewables. As much as we
12 would potentially like to have pumped storage or other
13 forms of energy storage in that package it doesn't
14 exist. At this point the project is being entirely
15 financed by Symbiotics and will probably continue to
16 do so through the licensing portion of the project.
17 We would intend on bringing in investors during
18 construction for the project itself. And most all of
19 our projects there is some debt ratio to start with
20 and a period to pay off over a certain number of
21 years. I don't know specifically what the pay off is
22 at this point. Does that answer your question?

23 SPEAKER: Yes.

24 SPEAKER: (Conrad Michaelson) I understand the
25 physics of your project and the basic economics and I

1 can see why you are interested in doing it. If I were
2 a potential investor I would like the answer to three
3 basic questions. They've all been touched upon
4 previously. The first one is water. Where are you
5 going to get enough water to even maintain the
6 evaporation rate? I looked at your figures and you
7 say that on the average evaporation is about
8 twenty-one inches per year, total evaporation per
9 acre. Looking at the size of the reservoirs, if you
10 take both the total area of both reservoirs and you
11 add that to 1.75 feet per all of those acres and
12 divide it up over the period of time in a year you
13 come out with -- I come out with nearly one acre
14 foot. Is that right? I come out with nearly --
15 excuse me, nearly one cfs. Nearly one cfs. And
16 that's based upon the total area of those two
17 reservoirs. And some might say, well, one end of the
18 reservoir is going to be empty while the other one is
19 full, so there's not going to be much evaporation rate
20 but in reality when one reservoir is empty all of that
21 surface area which was covered in water during the
22 previous twenty-four hours is going to be evaporating
23 as well. So it's really going to be more surface area
24 than the total of the two reservoirs when they're
25 full. So I can see that it's possible that you could

1 be evaporating more than one second foot
2 continuously.

3 The other thing that I would like to
4 mention here is that you are going to be putting heat
5 into this water as you pump it up and down. A certain
6 amount of that energy that it takes to move that water
7 up and down through those penstocks is going to be
8 dissipated as heat into the water. In a sense that's
9 going to be good because it's going to keep that water
10 from freezing, and you are going to have a problem in
11 the really cold months with icing in the reservoirs,
12 but if there is heat added to that water that would
13 keep that water from freezing but that also raises the
14 evaporation rate. The evaporation rate could be much
15 higher than the twenty-one inches of evaporation per
16 year. So, if you did that, you would be consuming
17 more than one second foot of water and by your figures
18 you are saying that the mean coming down the North
19 Eden Creek is 1.8 second feet. I'm looking at the
20 numbers here and what I see is, these readings, it's
21 only for a two year period and there's only seventeen
22 readings there. I mean, that's a pretty skimpy base
23 for making a determination of how much water is
24 available.

25 JUSTIN BARKER: Well, and those readings were

1 also taken below where they divert water off of the
2 fields, too.

3 SPEAKER: (Conrad Michaelson) Below?

4 JUSTIN BARKER: Below.

5 SPEAKER: (Conrad Michaelson) I see. So you
6 really don't have any information about how much water
7 is available?

8 JUSTIN BARKER: We're going to have to do a water
9 level evaluation up North Eden Creek.

10 SPEAKER: (Conrad Michaelson) I'm estimating it's
11 going to take one to possibly two second feet just to
12 offset the evaporation rate in the two reservoirs.
13 And that means you are going to have to get water from
14 somewhere else besides North Eden Creek.

15 JUSTIN BARKER: One second. I think it's about
16 six hundred and ninety acre feet a year, right?

17 SPEAKER: (Conrad Michaelson) Yeah. That's
18 right.

19 ERIK STEIMLE: The information as presented in
20 the preliminary application document is just that,
21 it's a preliminary step to get a finite amount of
22 resource information about the project and the
23 impact. It's by no means what the final project will
24 probably look like. The first step with Hook Canyon
25 brought us to this, a project that's a third in size,

1 and so, you know, as Justin mentioned, one of the
2 studies in our first year of studies would be a
3 comprehensive water study.

4 SPEAKER: (Conrad Michaelson) There's a couple of
5 other things I'd like to mention about the water. One
6 is the State of Idaho is entitled to an additional one
7 hundred and twenty-five thousand acre feet per year
8 that they don't presently store, they let it go on
9 down during spring run offs during some years when
10 there's excess water run off. So there is some water
11 available but it is only available during the spring
12 months' run off during some years. The other thing is
13 the report by the USGS indicated when they did a study
14 of the precipitation in the Intermountain West was
15 that the last one hundred years have been wetter by
16 far than the previous six hundred years, which would
17 indicate that there's a possibility that this area is
18 going to become much dryer rather than much wetter.

19 JUSTIN BARKER: Or it's gotten wetter?

20 SPEAKER: (Conrad Michaelson) Huh?

21 JUSTIN BARKER: Or it's gotten wetter?

22 SPEAKER: (Conrad Michaelson) It's much wetter
23 the last one hundred years than it has the previous
24 six hundred. So the possibility is that we're headed
25 more back towards a dryer climate than we are now

1 which is going to make water resources even more
2 valuable. Okay. That's one of the issues I'd like you
3 to address. Another one is the geology and I'm going
4 to leave the specific questions to somebody with more
5 expertise than I have but it would appear to me that
6 these two reservoirs -- and I've read your paper --
7 that these two reservoirs are located not only across
8 a couple of small faults but very close to the big
9 fault which created the East Hills, as we call them.
10 And that fracture is a relatively recent fracture,
11 last one hundred or thousand so years, and it's also
12 considered to be one of the more active faults in the
13 area. And as other people in the audience are
14 concerned so am I that the dams up there, if there is
15 a major fault, all that water will be coming down. If
16 the bottom one broke it would go into Bear Lake, if
17 the top one broke both of them would go into Bear Lake
18 and the results would be disastrous. So I think we
19 have to be very, very careful and we have to use the
20 best available technology when we build these dams.

21 JUSTIN BARKER: Sure. And federal dam standards
22 are probably the most stringent when it comes to
23 building. Nobody on this panel will be engineering
24 those dams, it will done by qualified engineers. But
25 when you talk about a major earthquake along the east

1 fault, I think you said it best today, if there's an
2 8.0 earthquake along the east Bear Lake fault the last
3 of your worries is those dams breaking because
4 liquefaction is probably going to level everything in
5 this valley.

6 SPEAKER: (Conrad Michaelson) Okay. The last
7 point that I would like to bring out is that peak
8 energy -- you're basing this whole project on the fact
9 that we now need something to offset our peak energy
10 demands. And I can understand that but there are
11 ways, and you've already mentioned some of those ways,
12 of storing energy perhaps even more efficiently than
13 the project that you are proposing which is really
14 quite a major consumer of energy. There are several
15 ways of doing this. For one, the government might say
16 -- or Utah Power and Light or Rocky Mountain Power,
17 or whomever -- we're going to charge you more for the
18 energy that you used during the peak. That would cut
19 the demand during peak times. And especially if we go
20 to -- and I think we eventually will go to replacing a
21 vehicle propulsion -- replacing hydrocarbons with
22 electricity. It's a matter of time. We're working on
23 it, everybody is working on it. All the major car
24 manufacturers are working on it. You can read it all
25 over the Internet. They're all trying to do this. If

1 they are successful in doing that when would we be
2 charging our electric vehicles? At the same time that
3 there's peak energy? Probably not. They will regulate
4 us so that we recharge those vehicles during the off
5 peak and that would tend to balance.

6 Every project that's being built like the
7 one you are proposing is also going to reduce the
8 demand for peak energy so the price is going to go
9 down. You are actually undermining your own profit
10 incentive by building this facility.

11 JUSTIN BARKER: I want to answer your question
12 about the concept of the batteries and the cars and
13 plugging your car in at night and stabilizing the
14 grid. This is a question that kind of perplexed me.
15 Take for instance you have a car and you plug it in at
16 night and you charge your battery and then you go to
17 work but we still have this large demand for peak
18 energy. Do you plug your car into the system so they
19 can draw on that energy for that peak demand?

20 SPEAKER: (Conrad Michaelson) Not during the --
21 opposite the peak demand.

22 JUSTIN BARKER: We still have that peak demand
23 that we have to meet.

24 SPEAKER: (Conrad Michaelson) Okay. But look at
25 the potential here. For instance, if we were to use

1 ultracapacitors in our cars, and it's a viable concept
2 that we're considering right now, there are problems
3 with it but it is a viable concept, why wouldn't we
4 use ultracapacitors in our homes to store electricity
5 during the off peak and use it during the peak if
6 there were some economic incentive which the
7 government or the power companies could easily
8 provide? It makes me wonder. I mean, can you see
9 where I'm coming from?

10 JUSTIN BARKER: I can understand that concept.

11 SPEAKER: (Conrad Michaelson) The bottom line is
12 is this demand for peak energy that you propose to
13 satisfy with this project going to be there in another
14 five or ten or fifteen years? And I don't know what
15 the life span of this project is going to be.

16 ERIK STEIMLE: Right. I think it's a really valid
17 question. Where hydroelectric pumped storage fits in
18 is that batteries in everyone's home don't mean
19 transmission congestion problems on a large scale.
20 Ultimately it's built totally out or it's totally
21 realized, yeah, most everyone would have a plug-in car
22 and some kind of backup storage in their home but it's
23 not going to solve the large transmission issues,
24 congestion issues. If we go to a renewable energy
25 portfolio we're looking at twenty or twenty-five

1 percent of all of our renewable energy coming from say
2 sources like intermittent solar and wind. Those are
3 numbers I'm just throwing out there. Again, I don't
4 know what that would look like initially but that's
5 where these larger storage projects come into play.

6 As far as efficiency, hydroelectric pumped
7 storage is more efficient than the battery
8 technologies that are currently out there. It's more
9 efficient than flywheel technology because flywheel
10 pumped storage technology -- excuse me, compressed
11 air. Compressed air technology uses natural gas
12 because the system freezes. So we don't -- you know,
13 not everything is a perfect fix but we're looking at
14 it. I mean, I think it's a valid point.

15 SPEAKER: (John Spiller) Just a quick question.
16 On the economic viability of the project, obviously,
17 if you build it, we'd want it to work because if it
18 doesn't there's a big facility up there. I live in
19 the county, I've lived here all year-round, and I
20 would hate to have a huge tax base to all the
21 citizens. That's a lot of taxes to maintain this
22 facility in Rich County that's empty. So the reality
23 of it also is you are not going to just be selling
24 power in Utah because you will sell it to the highest
25 bidder, right, because this is on the electric grid.

1 You are pointing out Utah, Utah, Utah, Utah to make us
2 all feel good about Utah getting more power but the
3 fact of the matter is that you guys have investors and
4 they're going to spend a billion dollars -- if you
5 have them they're going to spend a billion dollars and
6 they're going to say you are going to do it my way,
7 that's what they'll tell you. Because I've had
8 investors in big businesses and they'll tell you where
9 to sell. It could go to Las Vegas for casinos, it
10 could go anywhere, right? Is that fair?

11 ERIK STEIMLE: I think it's a totally fair
12 assumption, and I don't think I could prove to you
13 tonight either way. I mean, as we get through this
14 process further that information will become
15 concrete. When we initially started this project we
16 knew there was a demand for peak electricity in the
17 state of Utah because Pacificorp/Rocky Mountain Power
18 had an RFP out for 2,000 megawatts of peak
19 electricity.

20 SPEAKER: (John Spiller) Yeah. And if I was you
21 guys I would like make it more clear on those elements
22 because there's a level of trust that's -- you know,
23 that's why a lot of these questions come up is because
24 there's a trust issue here between Symbiotics and the
25 public because things seem to be kind of gray and if

1 you made them really accurate like, hey, we're not
2 just talking about energy being sold in Utah, it's
3 really peak demand all over the place, and then you
4 are going to sell it to the highest bidder because if
5 this thing doesn't work, again, my big concern as a
6 citizen who lives here is, gosh, we may have jobs
7 today but if we have a big facility out there and all
8 of a sudden you guys can't make a dollar out of this
9 thing -- this gentleman mentioned a lot of reasons why
10 peak energy could, you know, we could balance this
11 out. There's a lot of reasons possible. No one can
12 see the future. I don't think you guys can. No one
13 can, right? I'm just saying, that's a huge risk not
14 just for you and for us because I would just hate to
15 see this facility out there and, you know, how are we
16 going to maintain these facilities if your business
17 doesn't work? Just a comment.

18 JUSTIN BARKER: I want to answer his question on
19 selling energy across the grid. We're not going to
20 invest in or have investors invest a million plus
21 dollars into this project without some assurances that
22 we're going to be able to negotiate some long-term
23 contracts full of supply and peak energy. I mean, if
24 we were to just go out and say we built it, you know,
25 we want to sell you energy, it would be really bad

1 business practice. So we're going to have to really
2 look into getting those long-term power purchase
3 agreements, the assurance that it's going to be
4 economically viable before we start construction.
5 Because you don't want to get halfway through
6 construction and find out that this thing isn't going
7 to pay for itself. So there are a lot of levels that
8 are going to have to be looked at.

9 SPEAKER: Something else regarding the cost. As
10 a resident of Bear Lake County I would require that
11 the county governments bond your operation, your
12 company, so that in the event that there were some
13 major catastrophe that they wouldn't be left holding
14 the bag, that that money would be available to handle
15 that catastrophe. I think it would be a reasonable
16 thing to do and I think that Rich County would follow
17 in that same line. So have you factored that into
18 your cost?

19 JUSTIN BARKER: You know, I don't do the
20 economics of it. I have a good idea of what returns
21 but that's about it.

22 ERIK STEIMLE: We'll address that. The economics
23 of it will be scrutinized pretty heavily.

24 KEITH LAWRENCE: The kind of points you are
25 making are excellent points. Pumped storage has been

1 done many times. I think it's important to keep that
2 in mind. Pumped storages are not dropping off the
3 boards all of a sudden because they can't sell the
4 energy, or whatever. It's been done over a hundred
5 times around the world. And, as Erik mentioned, there
6 are a number of other pumped storage projects on the
7 board and they're thinking along the same lines and
8 they're not all pie in the sky and they have no idea
9 what they're getting into, and that sort of thing.
10 There's risks with everything but when it comes to
11 something like long-term sale of the power I imagine
12 that's something that it's not a question mark when
13 that thing is ready to start.

14 JUSTIN BARKER: Yeah. I mean, if you look at the
15 economics of a natural gas-fired power plant and, you
16 know, if you are betting on natural gas is going to be
17 \$3.50 bcf for the next twenty years and that's your
18 break even point and it goes to thirteen you are in
19 trouble. So those are things that have to be
20 scrutinized by economists.

21 SPEAKER: (Claudia Cottle) I know you guys, you
22 know, kind of came to see that using Bear Lake wasn't
23 a good idea on the Hook Canyon Project, and we all
24 appreciate that, but it still comes back to me as to
25 why here? You've got to pump the water a long ways,

1 you still have to build connecting lines into a grid
2 someplace. I mean, I just think the west is kind of
3 open, there's a lot of places where there aren't
4 people with homes, there isn't a beautiful lake where
5 there's a lot of risk. It seems to me you are still
6 looking at an area with a lot of risk factors and a
7 lot of cost in actually coming to the risk and it just
8 seems to me like maybe you would want to go a little
9 closer to the water you are planning on using.

10 JUSTIN BARKER: We met in Salt Lake with the
11 Nebeker family the other night and that same question
12 was asked, you know, why not go over to the Crawford's
13 and build it, you are right next to the Bear River.
14 But the Crawford's just don't have an area for a
15 suitable upper reservoir. And why this area is
16 primarily the Gateway West and the cost of
17 transmission to build one hundred miles of
18 transmission is ten percent of the cost of the
19 project. It's expensive to build transmission. So
20 the closer you can get to the existing or newly
21 proposed transmission it helps with the economics.

22 SPEAKER: (Claudia Cottle) Obviously you are
23 further away from the water. Is there a reason why
24 you don't want to go to Wyoming? You are talking
25 about Wyoming water to Utah. It seems like things are

1 going to get a little complicated.

2 ERIK STEIMLE: Part of the economics too, I
3 guess, is proximity to Gateway Project and the
4 topography we need. Water is super important,
5 obviously, as a component of the project but, you
6 know, all those things considered, the east side of
7 Bear Lake or Bear Lake Plateau shows up as a hot
8 spot. We put together a model and, as I mentioned
9 earlier, there are seventeen other competitors out
10 right now. All those other hydroelectric pumped
11 storages, this same area shows up as a hot spot. So
12 we are not alone in seeing that this area is the best
13 case scenario for positioning this type of project
14 along that new grid structure. Does that help a
15 little bit?

16 SPEAKER: (Claudia Cottle) Yeah. I just was
17 curious whether you had done some other looking. One
18 other question. When we talk about the benefits to
19 the community, the taxes to the county, the
20 commissioners have told us several times that, yeah,
21 you get this tax, that it's going to come to the
22 county, and they collect it, and then the operator of
23 the utility comes back and says, you know what, we pay
24 too much tax, we want to have that tax back. And they
25 do it. Rich County sends back three million dollars a

1 year in the state of Utah of taxes that they have
2 collected on utility lines, pipelines, and that kind
3 of thing. Now, my guess is that Symbiotics won't be
4 operating this so they say, well, we're not ever going
5 to do that. Right? But I don't think you are going
6 to be operating it, somebody else is going to be. I
7 think people kind of get promises that get made by one
8 person and they don't get kept.

9 JUSTIN BARKER: That's a good point. I've never
10 heard of that, I've never heard of companies going
11 back and --

12 SPEAKER: (Claudia Cottle) Talk to Commissioner
13 Cox, talk to Pacificorp. Pacificorp does it across the
14 board. So it's something that exists and, you know, I
15 think it's something that if this project should go
16 forward that we should be looking at those promises
17 get kept in some manner no matter who owns the
18 project.

19 JUSTIN BARKER: And this is a long process and
20 maybe to ensure that Bear Lake would be protected
21 there would be some type of an endowment in
22 perpetuity, you know, just depending on what the
23 project could bear economically and what the impacts
24 are going to be. Maybe there could be something like
25 that built in to offset that. I don't know. The

1 process is long and there are a lot of creative
2 options that we could come up with to work together.

3 SPEAKER: (Claudia Cottle) I have a few other
4 comments but I want everyone to have their chance.

5 SPEAKER: I have one. Somebody called me just
6 before this meeting and they've addressed something
7 that's been concerning me, and that is about
8 aquifers. They were saying how that if you are really
9 going to be pumping out of the ground she talked about
10 that she read on Google -- Faults Guards Near Dams --
11 which we have a fault, it is an active fault, and it
12 is under thirty-five thousand years, it could be one
13 hundred years to thirty-five thousand, people will
14 lose water on the east side of the lake and in pumping
15 that out, if you pump it out, it says it tends to make
16 holes in the ground and when they collapse it causes
17 an earthquake, the lack of the water in the ground.
18 And everybody on the east -- I mean, I would like to
19 see something that says we pay back everybody whose
20 water we've lost on the east side of the lake because
21 all of our properties will be of no value if we have
22 no water.

23 JUSTIN BARKER: Where did all of that come from?

24 SPEAKER: She said she Googled Faults Guards Near
25 Dams.

1 JUSTIN BARKER: I would hold out my judgment
2 until I talk to a geologist.

3 SPEAKER: Well, right. And I think we need that.
4 But that's what it said.

5 JUSTIN BARKER: There are definitely issues that
6 we will address.

7 SPEAKER: Yeah. I'm just telling you beware of
8 this.

9 ERIK STEIMLE: Our final license application to
10 be accepted has to have a thorough hydrology section.
11 In addition, there has to be a thorough geotechnical
12 section, geotechnical work has to be done on it. There
13 has to be an extremely thorough engineering section
14 and then that all has to be put together in a
15 comprehensive manner. So all of those things will be
16 carried out over the next two years. We anticipate
17 that we'll be having a number of these meetings with
18 the public to let them know what the results of those
19 things are.

20 SPEAKER: (Claudia Cottle) I just wanted to ask
21 you to talk about how the studies will be formulated.
22 I'd like to know how you are going to proceed and so
23 forth.

24 ERIK STEIMLE: We are going to start to draft
25 study plans for the project after we receive the bulk

1 of the comments during the scoping process. At this
2 point in time the formal scoping process will end July
3 31st. I believe that's the end of the scoping
4 process.

5 JUSTIN BARKER: Sixty days from today.

6 ERIK STEIMLE: I think that's July 31st. And
7 during that period of time not only will we be
8 incorporating comments we receive about the types of
9 studies we may do but any specific study requests. So
10 if someone requests, you know, we would like to see a
11 geotechnical survey done, would like to see more
12 hydrology studies done, you know, those types of
13 requests we will incorporate. Again, the difference
14 between the ILP and a TLP is that an ILP a stake
15 holder, whether it's a member of the public or the
16 Wildlife Service, had all these nine benchmarks they
17 had to meet; you have to show data, you have to show
18 Nexus, you have to show all these things, and all that
19 goes away in the process. If you make a comment that
20 you would like to see this particular type of study,
21 we have to address that. Now, if you make a comment
22 saying you would like to see one hundred percent of
23 the engineering done over the next year we won't be
24 able to accommodate that but we will address it. The
25 burden of proof is not on the public.

1 To get back to your question, we will be
2 starting the study plan at that point in time,
3 drafting it. We have started drafting some of the
4 studies that we already proposed in the preliminary
5 application document but we will probably be altering
6 those with the comments we receive between now and the
7 end of July as well. It usually takes us a couple of
8 months to put together a comprehensive study plan and
9 that will be filed with the FERC.

10 And then also, anyone that put their e-mail
11 address on the contact list will be contacted as well
12 and where they can download a copy of that document.
13 So that's how we proceed. And then there would be a
14 period of time after that people could comment on the
15 studies, whether or not they felt that we really
16 addressed the nature of those comments and their study
17 requests, that we're really going to get at the
18 answer. We will try and start some of those studies
19 this fall. I believe at least the --

20 JUSTIN BARKER: Some of the vegetation surveys,
21 some of the environmental, and also the water budget,
22 that takes a long time to put together.

23 ERIK STEIMLE: At the end of the first year of
24 studies we'll be filing a first year study report,
25 there will be a period of time to comment again, we'll

1 meet and go over those, and there will be a chance for
2 the public to say, well, did we really get as much
3 information as we thought we needed from those
4 studies, what are those outstanding goals or
5 objectives that we had in mind originally. And
6 there's a potential second year of studies and the
7 second year of studies closes that process and we use
8 whatever information we get in those two years to put
9 together a license application. That's all the time
10 that's allocated to us.

11 Because it is a new license it is not like
12 -- probably some of you are familiar with
13 Pacificorp's re-licensing process, how where they have
14 a project on the ground and they have to re-license
15 and that could take place over a number of years.
16 Because that is their asset on the ground they can get
17 a number of extensions. Because this is a new project
18 we have three years and at that point in time someone
19 else can compete for the project. Most of the time an
20 applicant, no matter what level of work they've
21 completed during that three year period of time, does
22 not get that permit again.

23 SPEAKER: If I hadn't been talking to my wife and
24 I hadn't been talking to Johnson's we would not have
25 known about these meetings. What have you done, by

1 what process are you letting the public know?
2 Especially those of us who are in the path of water.

3 ERIK STEIMLE: Well, the first thing is, FERC
4 requires us to put it in a newspaper publication of a
5 certain size.

6 SPEAKER: What if I don't read the newspaper?

7 ERIK STEIMLE: My response to that is that
8 usually the requirement associated with the FERC never
9 gets the people that are the most interested in the
10 project. And so we would go about that in a number of
11 ways. We had an article in the Richfield --

12 JUSTIN BARKER: We had it in the Rich County
13 Times, we public noticed it in the Rich County Times,
14 which is a bi-weekly paper. We're not required to do
15 it with the FERC so they tell us we're required to put
16 it in a newspaper that's so large. The closest one is
17 the Herald Journal.

18 SPEAKER: And with that you're done?

19 JUSTIN BARKER: We published it twice there.

20 SPEAKER: It didn't help me.

21 JUSTIN BARKER: We had a requirement with the
22 FERC that obviously didn't engage you, so does that
23 mean we're done? No.

24 SPEAKER: If you are involved in further action,
25 what notice do you give us? Through our e-mail?

1 JUSTIN BARKER: Did you write your name?

2 SPEAKER: (Claudia Cottle) There are people who
3 did not put their e-mail address on here so I think we
4 ought to send this around again for you to get
5 e-mails.

6 JUSTIN BARKER: Okay.

7 SPEAKER: Because all our neighbors are
8 interested in this.

9 ERIK STEIMLE: So we'll have this e-mail list as
10 well and then, Claudia, your website as well will
11 probably have updates on where we're at in the
12 process?

13 SPEAKER: (Claudia Cottle) We will.

14 ERIK STEIMLE: In addition, the Federal Energy
15 Regulatory Commission has a website and you can become
16 an e-subscriber. The very beginning slide has the
17 project number. And by going onto the FERC website
18 and becoming an e-subscriber and signing up with that
19 number you will get every piece of correspondence in
20 your inbox associated with this project; every
21 comment, every question, every document will
22 automatically show up.

23 SPEAKER: What is that website?

24 ERIK STEIMLE: www.ferc.com. No. 13249.

25 SPEAKER: (Claudia Cottle) It's on the flyer.

1 SPEAKER: Do you feel you have the enthusiastic
2 support of the entire community and do you feel you
3 are going to have investors that will be supportive of
4 this project?

5 ERIK STEIMLE: We'll have investors supportive of
6 this project if we receive a license for it.

7 SPEAKER: Okay.

8 ERIK STEIMLE: And whether or not we receive a
9 license will ultimately be decided over the next three
10 years by public support of the project. I think that
11 by coming back and proposing a project that at least
12 addressed a third of the original comments we received
13 -- and we received -- I'm not sure what the total
14 count is. We received almost fifteen hundred comments
15 on the Hook Canyon Project and over a third of them
16 supported the idea of pumped storage. I think that's
17 a good start. Is that the answer? No. I mean,
18 there's a number of benchmarks that we're going to
19 have to reach during this process to prove to you that
20 this is going to be in the public's interest of the
21 local community. Does that answer your question?

22 SPEAKER: Well, I just wonder if you feel that
23 you have community support in this group right now.

24 JUSTIN BARKER: I haven't got any death threats
25 yet like last year.

1 SPEAKER: I just have a question. I want to be
2 clear on this. You are going to use more electricity
3 than you generate, is that right?

4 ERIK STEIMLE: That's correct.

5 SPEAKER: (Krista Klein) I'm just wondering about
6 what kind of study would look at the noise generation,
7 because Bear Lake is extremely quiet. Maybe not in
8 July but other times of the year on the east side.
9 It's just me but, still, I appreciate the quiet. I'm
10 just wondering what kind of a study can I request to
11 evaluate what sort of noise pollution, light pollution
12 is going to be created by this project?

13 ERIK STEIMLE: You just did.

14 SPEAKER: (Krista Klein) Okay.

15 ERIK STEIMLE: You can suggest that we do a noise
16 study.

17 SPEAKER: (Krista Klein) The construction I'm
18 most worried about is temporary. I can hear
19 construction, beep, beep, beep, but that's temporary.
20 The noise and the light pollution -- because when we
21 come up here in the winter the night sky is pretty and
22 I can see some day saying, oh, remember when there
23 used to be stars in the sky but we don't see them any
24 more.

25 SPEAKER: Justin, I have a little concern, the

1 more I think about this, the water, and that is I
2 think you are going to use more than even what Conrad
3 said about the water because you've got to provide
4 four cfs's to the irrigators, you've got to provide a
5 stream for the trout people, and then you've got the
6 evaporation. And so my guess is it adds up to quite a
7 bit more.

8 JUSTIN BARKER: Well, that's part of the whole
9 water budget study. There are allocated water rights
10 up to four cfs's. If there aren't four cfs's in the
11 stream they obviously can't take it.

12 SPEAKER: That's right. But you are going to have
13 to be replenishing that, that's what I'm saying, you
14 are going to be replenishing it with more water. And
15 the stream really puts out most of the years.

16 JUSTIN BARKER: We don't have to replenish the
17 stream. We have to design a water budget to look at
18 what is there now, what is currently being used, what
19 is the storage right behind it, and what ours is.

20 SPEAKER: But the trout people want it, they want
21 a stream.

22 JUSTIN BARKER: In the late summer there's the
23 potential -- we were talking to one guy today about
24 that stream dries up going to the lake because all of
25 that water is diverted into North Eden.

1 SPEAKER: Uh-huh. That's right. Uh-huh. So where
2 are the trout that they talk about? There are no
3 trout in the stream?

4 JUSTIN BARKER: There's trout up above in the
5 streams way high in the system.

6 SPEAKER: I would just like to ask you guys, in
7 as much as your project is about six thousand feet
8 from the Idaho and Bear Lake County boundary, could
9 you do some advertising in Bear Lake as well, the
10 Montpelier Examiner, so the Bear Lake County people
11 could be informed?

12 JUSTIN BARKER: We've never put it in the
13 Montpelier paper.

14 SPEAKER: It's six thousand feet from our
15 county.

16 JUSTIN BARKER: Yeah. There's only 1,800 in
17 circulation and, just to meet the requirements, you
18 know, for the FERC, we put it in the Herald Journal
19 and then the Rich County Times. It's something we
20 will consider and we can do next time when we'll hold
21 a public meeting. Hopefully word-of-mouth works
22 better than the newspaper because the legal notices
23 are always on the back page.

24 SPEAKER: So when are you planning on the next
25 public meeting?

1 ERIK STEIMLE: Well, let's go through and
2 question around. Was this meeting this evening
3 helpful, and when would you want to see another public
4 meeting? Are we looking to engage more people
5 generally at this point in the process of the
6 information or is it more important to have more
7 meetings when we actually have more resource
8 information at the outcome of the studies scoping
9 process, probably more importantly when actual studies
10 have been completed? I would assume tonight, based on
11 everyone's comments, based on dam safety, water
12 budget, geotech, that those are the kinds of things
13 that you are going to want to review before it's going
14 to be that interesting to you and maybe the public at
15 large.

16 SPEAKER: But there's also individuals with
17 specialties and with knowledge besides us that were at
18 the last FERC meeting that came up with ideas that
19 other people hadn't even considered that would be nice
20 to have their input prior to it being a short period
21 of time for them to have to say, okay, we've got
22 fifteen days to come up with this study that you need
23 to do.

24 JUSTIN BARKER: That's why there's a sixty day
25 comment period. If you know some specialist that

1 would like to comment on it then they --

2 SPEAKER: That's what I'm saying. Would you be
3 willing to do one in the next sixty days? Because
4 right now this is June. You've got July where there's
5 a large population at the lake. Raspberry Days is the
6 end of July and that's a great time to get people that
7 are interested that are here and say, hey, if you are
8 interested in Bear Lake County, Rich County, if you
9 are interested in this dam project that's going on --
10 that just slipped out, actually -- you know, if you
11 are interested and you are up here for Raspberry Days
12 or something else let's have a public meeting because
13 then you will have a really good idea about -- a
14 larger population base and what they're thinking and
15 what their feeling is of the community.

16 ERIK STEIMLE: So if we have a tentative deadline
17 for comment July 31st, and the holiday weekend the
18 beginning of July, what would you think would be an
19 appropriate amount of time to have the public meeting,
20 you know, not just comments that evening but maybe
21 additional comments; three weeks, two weeks?

22 SPEAKER: Yeah, something like that. I mean,
23 once you hit July you are going to have people here
24 because for some reason they think June is cold.

25 ERIK STEIMLE: All right.

1 SPEAKER: And then put it in the Standard
2 Examiner, put it in the Salt Lake Tribune, put it in
3 the Desert News, put it in the Pocatello newspaper,
4 put it in every newspaper in the region that draws
5 people to the lake because if you don't want to be
6 transparent, like you are saying you are, put it open
7 for everybody to have access to it.

8 JUSTIN BARKER: Right.

9 ERIK STEIMLE: So maybe it sounds like maybe the
10 week after the 4th of July holiday would be better, or
11 the week before?

12 SPEAKER: After.

13 ERIK STEIMLE: Okay.

14 JUSTIN BARKER: Maybe by then we can get the
15 comments that have been submitted and if you know
16 specialists that want to comment or people that have
17 cabins up here that want to come and they can submit
18 those and we can begin to address those and maybe we
19 can come back with a preliminary study plan and go
20 over those to make sure that we are addressing all of
21 the concerns and then we can add to that. That might
22 be a more productive meeting.

23 ERIK STEIMLE: But that won't be July 5th.

24 JUSTIN BARKER: But that won't be July 5th. If
25 we're going to have a meeting again in early July we

1 talk about the time line again.

2 SPEAKER: August.

3 JUSTIN BARKER: August might be better?

4 ERIK STEIMLE: Instead of July?

5 SPEAKER: Uh-huh.

6 SPEAKER: Friday night.

7 ERIK STEIMLE: Friday night?

8 JUSTIN BARKER: That's the last time I would

9 expect anybody would want to come to a public

10 hearing.

11 SPEAKER: But they leave Saturday for church.

12 Saturday is the mass exodus.

13 ERIK STEIMLE: So maybe it sounds like we're in

14 agreement for Friday evening sometime in early

15 August?

16 SPEAKER: But if it's in August isn't it past the

17 sixty days?

18 ERIK STEIMLE: Yeah. Justin had suggested that it

19 might be better to present comments we've received

20 thus far. We would have just started drafting the

21 study plan at that point right after that deadline.

22 So we won't have drafted anything yet so we can still

23 receive oral comments at that point, as well as

24 written comments, for a couple of weeks.

25 SPEAKER: And they will be accepted and

1 utilized?

2 ERIK STEIMLE: Right. Like I talked about
3 earlier, the difference between the ILP process and
4 the TLP process is that comments will be accepted by
5 the applicant and included in the FERC record all the
6 way through January of 2012.

7 SPEAKER: Where do we send the comments?

8 ERIK STEIMLE: Comments can be sent to the FERC,
9 The Federal Energy Regulatory Commission. There's a
10 handout at the door that describes that process.
11 There's a number of ways you can file them. You can
12 write them a letter and send it to them via mail. The
13 easiest way to do it is to file online through their
14 e-filing system. They have a pretty straight forward
15 process and it takes just a few minutes. Hundreds and
16 hundreds of people did that during the Hook Canyon
17 scoping process.

18 SPEAKER: (Kent Sorenson) Kent Sorenson with the
19 Division of Wildlife. I'm going to move a little bit
20 away from the very real question of where are you
21 going to get the water and is it economically feasible
22 and move a little bit more into the theoretical with
23 regard to geomorphology of the river system. I've
24 worked on or nearby reservoirs most of my professional
25 career and have noticed a few things about the head

1 waters of reservoirs and that they're a wonderful
2 collection place for fine sediments and as the
3 reservoir draws down through the irrigation it creates
4 a erosional problem in that immediate area. I was
5 wondering if you had given any thought to daily
6 fluctuations with the probability of it causing a head
7 cut that would progress up the drainage. Head cuts
8 are not a good thing in the west, they tend to drop
9 your water table, you lose your riparian, and the core
10 of population of Bonneville Cutthroats which is very
11 few in the state becomes imperiled.

12 JUSTIN BARKER: That's a really good comment. We
13 always talk about lining the reservoirs but you are
14 going to have to cover that lining with gravel and
15 rocks to ensure that you eliminate that erosion.

16 SPEAKER: (Kent Sorenson) It isn't so much in the
17 reservoir though, it's in the stream.

18 JUSTIN BARKER: I know, and I'm going to get to
19 that.

20 SPEAKER: (Kent Sorenson) You have in fact
21 created a tilting valley slope everyday where you
22 create a velocity gradient that is greater than what
23 the valley slope would indicate.

24 JUSTIN BARKER: You are right. And I'm familiar
25 with head cuts. I've worked on the Thomas Fork and a

1 number of streams like that and there's ways to slow
2 down or eliminate that head cut.

3 SPEAKER: (Kent Sorenson) Uh-huh.

4 JUSTIN BARKER: You are well aware of that. And
5 those are things we can look at right at the top of
6 the reservoir. So those are things that we will
7 address.

8 SPEAKER: (Kent Sorenson) Okay.

9 SPEAKER: Will you also do a study on property
10 value, how it's going to affect our property value?
11 Not only with safety but with water obviously; lost
12 water issues, safety issues. And we all know that
13 having a power plant right in your back yard -- we all
14 know that those studies are very open to the public.
15 They emit radiations. How is that going to affect us
16 all with all the canyon winds blowing right down to
17 the lake?

18 ERIK STEIMLE: Radiation from our project?

19 SPEAKER: From electricity plants.

20 ERIK STEIMLE: I can't really speak to that but I
21 can tell you that the economic evaluation will be
22 completed by the Federal Government as part of their
23 full eco review. It's very, very thorough. It
24 includes all the things we talked about earlier from
25 impacts on roads, impacts on schools, associated with

1 new jobs, you know, all of those things. The
2 applicant, although it's not out of the ordinary to do
3 a socioeconomic study, it's usually felt in the past
4 that because the applicant runs the study the public
5 at large tends to disagree with a lot of the
6 applicant's interpretations of property values. And
7 because we're expected to do this in such a short
8 period of time -- I mean, I don't know what the
9 property value fluctuation has been here just over the
10 past twelve months but because of that that's why the
11 Feds will review that during their full eco review.
12 So, I don't know, I hope I answered your question.

13 SPEAKER: Not really because you are putting us
14 at the mouth of a two hundred foot dam.

15 ERIK STEIMLE: Right.

16 SPEAKER: If downstream property values are
17 diminished by reason of the project how do people get
18 compensated?

19 ERIK STEIMLE: We won't receive a license for
20 this project if it's deemed that the downstream
21 property values are going to be affected by this
22 project. I can put that on the record right now. We
23 won't receive a federal license. So it's in our best
24 interest to propose a project that won't do that, and
25 that's the way that we're moving through this

1 process. The burden of proof is on us to prove to you
2 that this is going to be a benign project but
3 ultimately the FERC's review of this project -- if any
4 of the things that we can or can't assure you, from
5 dams to hydrology to water rights, aren't addressed
6 accurately we won't receive a license for this
7 project. And that's it, there will be no investors
8 and no project.

9 SPEAKER: (Linda Willis) My livelihood is
10 agriculture in Rich County and Cokeville, Wyoming
11 area. I have water rights on the Bear River, I hold
12 shares in the Woodruff Narrows Reservoir. I'm very
13 concerned about your attitude and your perceiving of
14 water to be able to go out and to buy that and to buy
15 that from farmers and ranchers. Do you have any idea
16 how many people make a living off of Bear River? And
17 it is all governed, there is a Bear River compact that
18 starts at Evanston that goes through that regulates
19 the water on the river, regulates Bear Lake, regulates
20 all through Idaho, through Box Elder County to Salt
21 Lake. It's a large all encompassing thing. Water
22 rights are not as numerous as you portray that they
23 are. The fact that going out and thinking that you
24 are going to buy water from a farmer for a year, do
25 you have any idea how that would impact and how that

1 impacts agriculture and how many people make a living
2 off of agriculture in this area? Compare that to the
3 thirty jobs that you are proposing and holding up as a
4 valuable thing. It kind of pales in comparison. And
5 I think your idea of water and to be able to purchase
6 that and -- you can look at Bear Lake and realize how
7 plentiful the water in Bear River is not. And the
8 fact that it is low and it's been low and people are
9 trying to build it up, I'm almost appalled at your
10 understanding of the water issue. I would like to see
11 a real study put into that and the impact that that
12 would make. You need to understand the Bear River
13 compact.

14 ERIK STEIMLE: Are there any other questions?

15 SPEAKER: (Scott Tolentino) Scott Tolentino with
16 the Division of Wildlife Resources. I just have a
17 couple more theoretical questions to think about on
18 this project, and that is, the study plans are
19 supposed to be developed this summer with studies,
20 according to the schedule, commencing in September and
21 then running for a year. And then it says another
22 year if they're needed. If you get lucky and have a
23 good water year those studies might favor you and if
24 you do not they will favor not doing the project. But
25 it's only one year. And even two years is relatively

1 quick.

2 Another one is no one mentioned anything
3 but we talked about Bonneville Cutthroat Trout being
4 upstream of there. Kent Sorenson, the other
5 biologist, had mentioned head cutting and there was no
6 information in here -- it says there was no indication
7 for entrainment because it's not expected but without
8 doing any kind of a marker/capture study on those fish
9 to see where they migrate to during the wintertime
10 coming into that area, whether or not they are
11 wintering down in the canyon, I don't know, I don't
12 have the answer for that, that may take more than a
13 year or two.

14 ERIK STEIMLE: The year or two that's allotted,
15 that's all that an applicant has. If it's deemed
16 during the review process by the State or the Feds
17 that that wasn't enough time then the license isn't
18 issued. That's just the framework we're given to work
19 in. We can't change that.

20 KEITH LAWRENCE: You know what you are saying,
21 Scott, it's a valid point. The thought was like with
22 the fluctuation in the reservoir on a daily basis that
23 that's going to be a much less suitable habitat for
24 those fish. I would be surprised if very many of them
25 go down in there but that's not to say that some of

1 them couldn't and some of them couldn't get drawn into
2 the pumps. I think that the likelihood that some will
3 over a period of time it's like it's almost a
4 certainty that some of them will make their way in
5 there and get sucked into the pumps.

6 I think the thought is that the superior
7 habitat is upstream. We know we're going to inundate
8 habitat and we're basically going to render it
9 unusable to the fish. Could some fish move down into
10 the reservoir and be entrained? It's like it's
11 possible. By marking them and seeing if fish move
12 down into the reservoir would we know if that fish is
13 going to be entrained into the project? No, we
14 wouldn't. So, actually, if you see what I'm getting
15 at, to actually determine what impact the project
16 might have on those that we would expect to come down
17 into the reservoir essentially and be drawn into the
18 turbines and kill them that way it's like would be
19 difficult to do but it would be something that we
20 could obviously do before we built the project, we
21 would be able to say what their fate would be. But I
22 think what you are talking about is something, you
23 know, that we might want to look at post license,
24 after the project, to see if fish were moving in and
25 out of there or what their fate is.

1 SPEAKER: (Dave Cottle) Dave Cottle with Bear
2 Lake Watch. The PAD talks about a fish ladder. Could
3 you clarify where the fish ladder is, what its purpose
4 is? Is that the lake with the reservoir or is that to
5 get the fish --

6 JUSTIN BARKER: Out of the lake.

7 SPEAKER: (Dave Cottle) Out of the lake. Okay.
8 Because it doesn't make any sense to me to let those
9 fish --

10 JUSTIN BARKER: That would be, you know, to get
11 the fish out of Bear Lake and restore that creek.

12 SPEAKER: (Dave Cottle) And so the part you are
13 going to restore really is below the lower dam?

14 JUSTIN BARKER: Yeah.

15 KEITH LAWRENCE: Well, it's an option. I think
16 we should try to keep it that way rather than
17 something hard and fast. That's an option, something
18 we thought could be done. Similar to something that's
19 been done in St. Charles Creek. You could build a
20 ladder to help the fish get up into there. It's
21 speculative. We know things need to be done, and
22 that's something that could be done, but it's not the
23 only thing or the only place it could be done.

24 ERIK STEIMLE: Yes. Just one more question.

25 SPEAKER: I'm not clear on why geographically you

1 picked this particular spot. Could you clear that up
2 for me?

3 KEITH LAWRENCE: Are you speaking on the east
4 bench of the lake, only that specific point, or are
5 you talking about the larger scale?

6 SPEAKER: I'm talking about your specific plan to
7 put two reservoirs up there on the east side of the
8 lake. Geographically, why did you pick that spot? I
9 hear a lot of conversation about the shortage of
10 water, I know it's dry up there, but why did you
11 geographically pick that spot? Why is that
12 advantageous over, for example, in Idaho where you
13 have lots of ponds and lots of water. Could you
14 please tell me why specifically you picked that spot
15 geographically?

16 ERIK STEIMLE: Do you want to talk about the
17 siting process?

18 JUSTIN BARKER: Primarily sites are driven by the
19 elevation difference. The availability of two areas
20 to have a reservoir that you can construct that have a
21 relatively short slope, you know, less than five to
22 one. In addition, the transmission line is a huge
23 issue. So the closer you can get to a transmission
24 line the better off you are. When we built this
25 geographic model to look for these sites Bear Lake was

1 the hot spot. And this is what I was saying earlier,
2 maybe you had walked outside, from an economic
3 standpoint the North Eden Canyon -- Hook Canyon is
4 even better than that but we're not going to go
5 there.

6 SPEAKER: Economically is the reason why you
7 picked that spot especially because it has a short
8 transmission line?

9 JUSTIN BARKER: There are a whole host of factors
10 that led into that but transmission line is one of
11 them.

12 ERIK STEIMLE: The model includes property
13 ownership, the model includes zoning, the model
14 includes all these things. It's by far not unique. We
15 were just at an energy storage conference and there's
16 a lot of other interest out there, similar models,
17 that located the east side of Bear Lake as a hot spot
18 for energy storage.

19 SPEAKER: The reason I ask these questions is
20 because I know of lots of pot holes filled, so to
21 speak, around and about, especially in Idaho, where
22 you have to go fishing, and so, you know, why a dry
23 spot?

24 ERIK STEIMLE: Why a dry spot specifically?

25 SPEAKER: I figure that's pretty dry up there.

1 ERIK STEIMLE: Well, the short answer to your
2 question is that we learned a lot from Hook Canyon and
3 we wanted to build two artificial reservoirs that over
4 a third of all the comments we received suggested that
5 it would support hydroelectric pumped storage if we
6 had two artificial reservoirs.

7 SPEAKER: I have a final thought. If I owned that
8 canyon I wouldn't give it up for anything. It was
9 just gorgeous, it was an absolutely gorgeous canyon.
10 It was perfect for riding horses, for cows. I
11 wouldn't put water in it for anything. That's my
12 opinion. Okay.

13 ERIK STEIMLE: The meeting was scheduled between
14 six and eight, so we've run a little bit over. I'd
15 like to go ahead and conclude things. Is there any
16 final comments or questions? I would like to thank
17 you all for coming. We will have formal transcripts
18 from this meeting and they'll be filed with the FERC
19 probably within ten working days.

20 (WHEREUPON THE HEARING WAS CONCLUDED)

21 ***

22

23

24

25

North Eden Pumped Storage (P-13249) Public Meeting

Those in attendance include:

Jim Mende	ID Fish & Game
Ron Jensen	Bear Lake Regional Commission
Ken & Elizabeth Griffith	Property Owner – East side of Bear Lake in ID
David & Claudia Cottle	Bear Lake Watch
Garth Barker	Wild River Consulting
Scott Tolentino	Utah Division Wildlife Resources
Theo Thomson	Personal/Land Owner
Kent Sorenson	Utah Division Wildlife Resources
Doti Herd	Property Owner – Eastside
Jeff Edwards	Alstom
Bill Stock	Fish Haven Water
Al Snyder	Cache County Water Watch
Larry Asay	Personal/Land Owner
Bonnie Felts	Personal/Land Owner
Marshall Felts	Personal/Land Owner
Krista Klein	S. Eden Nebeker Family
Linda Willis	Personal/Land Owner
Michael Bishop	N. Eden Homeowner
Margaret Sargent	Landowner
John Spiller	Landowner/Homeowner
Janet Wallace	Landowner
Robertd Wallace	Professor Emeritus SDSU
Conrad Michaelson	
Ron Jensen	
Teddy Griffith	
Carolyn Nebeker	
Zach Nesbit	
James Nebeker	
Jason Welch	
Anita Weston	