

December 6, 2018

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

- FILED ELECTRONICALLY -

**RE: First Six-Month Preliminary Permit Progress Report for the Nuyakuk
Hydroelectric Project (Project No. 14873), June 11, 2018 – December 11, 2018**

Dear Secretary Bose:

Nushagak Cooperative (Cooperative) hereby submits its first six-month progress report for the period of June 11, 2018 through December 11, 2018 for the proposed Nuyakuk Hydroelectric Project (Project).

Over the course of the first six-month period associated with their Preliminary Permit, the Cooperative has substantially progressed with respect to the internal phases of schedule development, study planning and the associated resource and financial planning for what will be a multi-year effort. In addition, the Cooperative has continued its public outreach efforts to further inform the local public and relevant interest groups of their intent to move forward with formally assessing the feasibility of the Project.

The Cooperative has now retained a lead regulatory, environmental and engineering consultant to provide advisory services with respect to the FERC licensing process. We have developed a comprehensive contact list of all requisite local, state and federal stakeholders and intend to engage them in early 2019 to begin the process of study planning in the interest of beginning robust environmental studies later in the year and into 2020. We received limited permitted authority from the State of Alaska to do data collection and in late 2018 began collecting initial water quality and topographic data at the Project site. In addition, we have begun development of our Notice of Intent (NOI) and Pre-Application Document which we intend to finalize and file shortly after our initial meetings with stakeholders in 2019.

In closing, we'd like to recognize our negligence in filing this initial progress report approximately 1 week late of the deadline. Our initial understanding was that these reports were due 6 months from the date of permit issuance. It is now understood that the effective date for the permit is the first day of June as opposed to its issuance date (June 11, 2018). As such, we will adhere to a first of the month schedule for all progress reports going forward.

ACTIVITIES DURING THE REPORTING PERIOD (June 11, 2018 – December 11, 2018)

Stakeholder Outreach and Consultation

- On September 11, 2018, the Cooperative attended the National Hydropower Association Regional Conference in Ketchikan and initiated conversations with state and federal agency representatives and FERC associated with plans for the Project.
- On November 19, 2018, the Cooperative provided an update on Project development to the Pacific Seafood Processors Association.
- On November 19, 2018, the Cooperative provided an update on Project development to the Fisheries Research Institute (FRI) at the University of Washington and gained contacts related to the acquisition of Nushagak Drainage fisheries data to assist in populating the PAD.

Regulatory

- Filed for and received a Preliminary Permit from FERC (June 11, 2018 issuance).
- Began development of the NOI/PAD
- Developed a comprehensive stakeholder contact list and established consultation record protocol

Natural Resources and Engineering Feasibility

- Conducted a field visit to the Project site in July 2018 to install temporary water temperature and water quality assessment probes, identify likely locations for additional monitoring equipment in the future, and begin to conceptually develop potential study regime scenarios.
- Project engineers participated in the July 2018 field effort and began conceptual identification of likely locations for primary Project infrastructure.
- In October 2018, Cooperative land surveyors conducted a topographic assessment of the terrain within the Project area to further refine the Project layout and confirm elevations at the site.
- Cooperative biologists and engineers conducted an assessment and collection effort related to all existing natural resource data local to the area and in the region in advance of development efforts for the PAD.

Administrative

- Retained the services of a lead regulatory, natural resource and engineering firm to provide consulting services throughout the licensing process.
- Developed internal and external cost estimates related to all phases of the licensing process in advance of Cooperative annual budget planning and grant application timing.
- Developed a conceptual schedule for all primary milestones associated with the licensing of the Project over the next 5 years.

- Began the process of identifying potential subconsultants that will likely be necessary to supplement study efforts.
- Provided consistent updates to the Cooperative Board of Directors related to Project status, next steps, etc.

CONTINUING ACTIVITIES IN SUPPORT OF LICENSE APPLICATION DEVELOPMENT

In anticipation of significant progress in 2019, the Cooperative will intensify collaborative efforts with stakeholders and FERC and begin study planning and implementation efforts. Further itemized detail is provided below:

Stakeholder Outreach and Consultation

- Kick-off meeting with stakeholders to present Project concept and intent and begin dialogue related to licensing process, schedule, existing data, permitting, study planning, etc.
- Hold stakeholder meetings/calls related to study need identification, planning and implementation efforts.
- Maintain comprehensive consultation record.

Regulatory

- Finalize development of NOI and PAD.
- Maintain and amplify integration with FERC related to Project development.

Natural Resources and Engineering Feasibility

- Apply for and secure all requisite permits necessary to conduct natural resource and engineering feasibility studies in 2019 and 2020.
- Work with stakeholders to identify key areas of study and begin development of comprehensive study plan package for all resource areas.
- Conduct a series of surveying efforts at the Project site to confirm conditions (elevations, substrate conditions, etc.) in advance of the refining the infrastructural layout of the Project.
- Begin implementation of the 2019 natural resources and engineering feasibility studies.

Administrative

- Retain the services of necessary subcontractors to provide specialized natural resource study support.
- Consistent updates to the Cooperative’s Board of Directors related to Project progress.

Please feel free to contact me (907.842.5251 or barmstrong@nushagak.coop) with any questions regarding this filing.

Sincerely,



Bob Armstrong
Electric Operations Manager
Nushagak Cooperative