

NUYAKUK: UPDATE AND LOOK AHEAD



The last 18 months:

Entering 2020 the Nuyakuk Project was engaged in the Federal Energy Regulatory Commission's (FERC) Integrated Licensing Process (ILP) actively developing the study plan that will be the foundation of its feasibility assessment. The Proposed Study Plan had been filed and we were in the process of evaluating stakeholder concerns in development of the Revised Study Plan when COVID-19 changed the way we live.

Regional stakeholders, including BBEDC and BBNA, wrote to NETC with technical concerns associated with the existing study plan and the ability to effectively address those concerns during the pandemic, advising NETC to delay the study plan development process until we could safely return to in-person meetings. Upon collaboration, NETC requested and received an Abeyance from FERC.

In an effort to continuing making progress on study plan development, we did not simply delay the process during the abeyance. Rather, NETC invited key agencies and stakeholders to participate in an Aquatics Resource Working Group (ARWG). The initial goal of the ARWG was to review and update the study plan as it pertains to the aquatic environment in general and fish passage in particular. The ARWG has met seven times in last 10 months and multiple more times in small groups based on the topic of discussion, with the goal being to worktoward crafting a consensus study plan for aquatics. Members of the ARWG include, Bristol Bay Science and Research Institute (BBSRI), University of Washington Fisheries Research Institute (FRI), State of Alaska Department of Fish and Game (ADF&G), National Marine Fisheries Service (NMFS), and NETC's team.

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Based on recent dialogue with this group related to the revisions to the document, NETC feels the ARWG has developed a comprehensive and technically sound study plan. NETC is preparing to re-engage soon with the FERC ILP by releasing the new Proposed Study Plan. That said and given recent developments with COVID-19 in the region, we will hold off until we are confident that in-person meetings can be safely held. In the meantime, NETC has scheduled two virtual meetings to present the new study plan, discuss the work of the ARWG to date and explain the FERC ILP moving forward. Virtual meetings will be held on September 21st and 23rd.

Why Nuyakuk Falls and why now:

The growing costs of energy and the ecological impact of hydrocarbons has been of increasing concern to our communities over the last twenty years. Last year NETC's generators consumed 1,242,634 gallons of diesel and emitted 14,082 tons of carbon into the atmosphere. Over the last 13 years NETC's fuel cost has fluctuated from a low of \$1.77/gallon (last year during the pandemic) to a high of \$4.16/gallon. NETC believes that fuel prices will continue to climb.

NETC takes pride in reliable, quality power production. We maintain a 24/7 operator presence in our power plant to maximize efficiency and produce 14.08kWh's of electricity for every gallon we burn. If diesel stays at \$2.50/gallon every kWh uses 18¢ of diesel, at \$4.16/gallon that is 29.5¢, at \$8.00/gallon it would be 57¢. It becomes unaffordable very quickly.

NETC believes it has a specific responsibility to the communities we serve, and as one of the larger electric

utilities in the region, to explore electric generation alternatives. To this end, NETC has participated in several field feasibility studies, including wind and other hydroelectric sites. NETC operational staff take time to stay current with emerging technologies and how they could help reduce or eliminate diesel needs. Generation technologies like solar, instream hydro, tidal and nuclear, integration technologies like battery storage, flywheels, and pumped hydro.

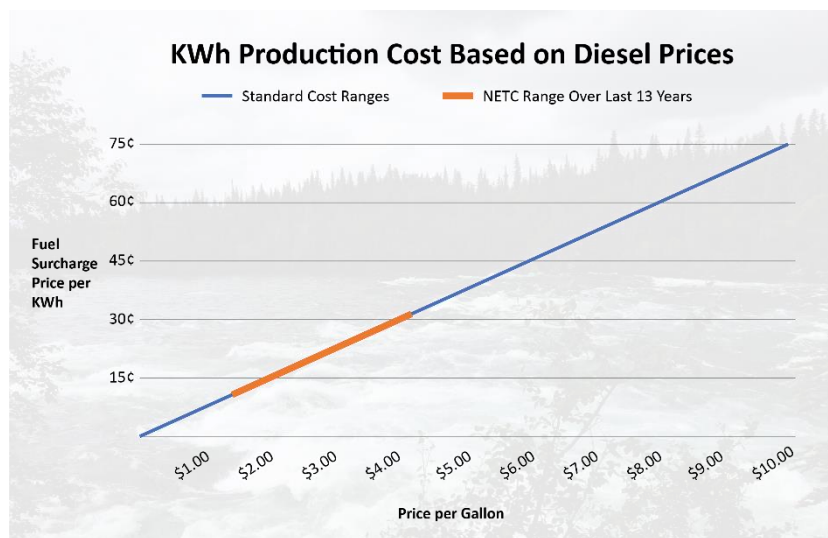
What makes Nuyakuk Falls of particular interest as a renewable energy source? The biggest reason is the power production potential. Using just a fraction of the flow, diverted through a pipeline, across a set of turbines and back into the river, could provide enough electricity for six communities for most of

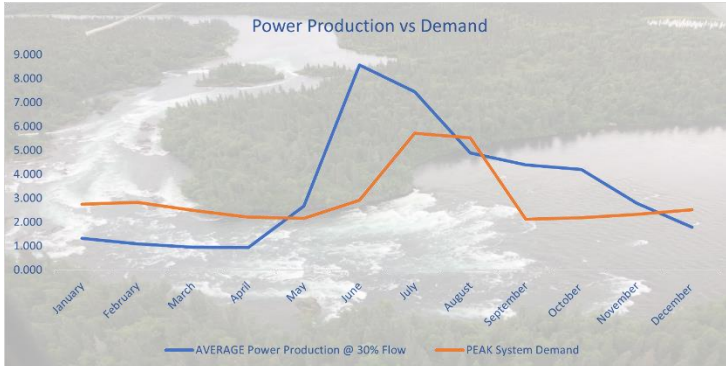
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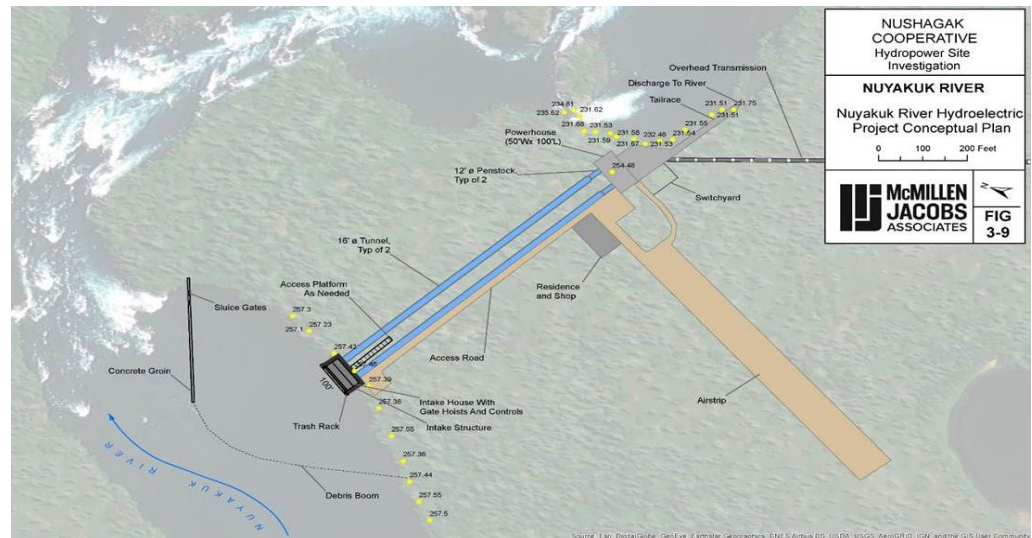
the year. Another benefit is the ability to meet salmon production demand needs. NETC’s communities use about 2 Megawatts (MW) of electricity throughout the year, salmon processing adds about 4 MW during the short season and that demand is growing. In 2019 NETC invested in 4.5 MW of new diesel generation, the new generation will be completely utilized by

2023 and more will need to be added by 2025 to keep up with salmon production needs.

Additional considerations in favor of further investigation of the Nuyakuk Project include:

- Lessening the need for diesel delivery barges in our waterways and salmon habitat
- The longevity of hydro systems (several Alaskan systems are approaching or over 100 years old)
- The ability to lesson the carbon footprint of our wild caught salmon
- Stabalizing and likely lessening electric rates (no more fuel rollercoaster)
- Sceintific investegation and increased knowledge base of an understudied system
- The potential generation of excess electricity that could be used in home heating.

NETC will continue to study this amazingly powerful site until we have the information to make an informed decision. The ARWG will continue to be part of that investigation and decision making process. Please join us on September 21st or 23rd. Your input is



valued and a necessary part of a holistic process. Please email ljohnson@mcmjac.com to get meeting and log-in information for the date of your choice.

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