



Relicensing Update

FERC expects to issue Final EIS, annual license this month

The Federal Energy Regulatory Commission has informed Alcoa-Yadkin that it remains on schedule to issue a Final Environmental Impact Statement in April 2008. A new license is expected to follow within 3 to 5 months.

Because FERC will not issue a new license before April 30, it will issue Alcoa-Yadkin an annual license that mirrors the requirements of the existing license. An annual license does not necessarily last a full year, but will remain in effect until a new license takes effect.

The revised timeline means that work on many sought-after benefits – including changes in the Shoreline Management Plan, the construction of new fishing piers and the donation of land for the expansion of Morrow Mountain State Park -- will have to wait.

“We look forward to implementing the many benefits contained in the Relicensing Settlement Agreement and will work toward bringing these benefits to fruition in a timely manner once the new license takes effect,” said Gene Ellis, Alcoa-Yadkin licensing and property manager.

A commitment to protecting N.C.'s water supply and water quality

In a guest column that appeared in the Stanly News and Press on April 6, 2008, Gene Ellis outlined why a new license for the Yadkin Project makes good sense.

There's been a lot of interest lately in the federal relicensing of the Alcoa-Yadkin hydro project in central North Carolina, especially as it relates to protecting North Carolina's water supply along the Yadkin River.

The big question — what will happen to our state's water supply if Alcoa Power Generating Inc. (APGI) receives a new license to continue generating renewable energy?

Here are the facts:

- North Carolina will still have the same amount of water. APGI's hydro generation doesn't consume or divert any water from the Yadkin River. The water simply passes through the turbines and flows downstream.
- Better water quality. APGI is installing new technology at its powerhouses to increase dissolved oxygen levels and improve water quality.

Around the Lakes

Drought conditions continue to improve

The Yadkin watershed is beginning to show signs of recovery from drought conditions that have plagued the region for nearly a year. While most of the watershed remains classified as experiencing “extreme drought,” the arrival of spring brought some much needed rain to the southern piedmont region of North Carolina. The region received 3.59” of rain in March 2008.

“The drought isn't over by any means, but we are beginning to see stream flows that are much closer to their historical averages. That's a good sign,” said Marshall Olson, an environmental and natural resources manager. “In the meantime, we will continue to manage our hydropower operations in a conservative manner to protect lake levels.”

Alcoa-Yadkin's management of the water supply during the current drought has earned praise from North Carolina and South Carolina state agencies, local homeowners associations and industrial users. It is one example of how the company is working to protect the water supply during periods of scarcity.

“We've survived the current drought with great water levels and significant improvement in water quality. Talk to fishermen and lake residents, you'll find everyone is enjoying the lake this year,” said Larry Jones, president of High Rock Lake Association.

Through careful management, Alcoa-Yadkin has kept water levels at reservoirs along the Yadkin River well above their historical averages throughout the drought. All reservoirs in

- More water in the reservoirs year-round and during drought conditions. APGI will reduce its generation and send less water downstream when water is scarce. (Water levels at all Yadkin reservoirs have remained near full during the current drought, earning APGI praise from state agencies, local homeowners and business users.)
- North Carolina entities will still be able to withdraw water from the Yadkin River, subject to approval of appropriate state and federal agencies.
- As the biggest water user in Stanly County, the City of Albemarle has a vested interest in how our state's water resources will be impacted by granting APGI a new license.

Mayor Whit Whitley says, "We've been withdrawing water from the Yadkin River since the late 1940s. Alcoa has worked closely with us to obtain FERC approval for our withdrawals, and the Relicensing Settlement Agreement calls for an increase of four to five times the amount of water we currently use. The City of Albemarle supports a new license for Alcoa and looks forward to the many benefits it will provide."

Mayor Whitley and the city of Albemarle understand the many benefits associated with granting a new license to APGI. That's why it is one of 23 organizations in North Carolina and South Carolina that support a new license for APGI.

These groups — including state and federal agencies, local governments, homeowners, recreational users, local business groups and environmental interest organizations — spent years helping craft an agreement that will dictate how water in the Yadkin River is managed.

The bottom line is that the Yadkin Project provides clean, renewable energy, a readily available supply of water, and a great place for people to boat, fish and camp. The reservoirs have been an economic force in Stanly County and the other four counties it impacts for decades — boosting property values, supporting local businesses and attracting tourists. A new license for the Yadkin Project just makes sense.

Alcoa-Yadkin introduces new radio ads, updated web site

A series of radio ads have begun running in central North Carolina to help people better understand the benefits that will accompany a new license for the Yadkin Project and to help correct any misperceptions that may exist. [Click here](#) to listen to the ads.

In addition, an [updated website](#) outlines the positive benefits associated with a new license and refutes many of the claims being made by opponents of the relicensing. Visit www.alcoafacts.com for more information about relicensing.

In The Community

the Yadkin Project remain near full.

When FERC issues a new license for the Yadkin Project, it will include a drought management plan that protects North Carolina's water supply by requiring Alcoa-Yadkin to send less water downstream and reduce hydropower generation during times of drought.

Alcoa in the News

Alcoa on FORTUNE's "Most Admired" List for 25th Consecutive Year



For the 25th year in a row, Alcoa has been named to FORTUNE Magazine's "Most Admired" list. The annual ranking is the definitive report card on corporate reputations.

For its survey of 622 companies in 65 industries, FORTUNE asked industry executives, directors and securities analysts to rate companies on eight criteria ranging from investment value to social responsibility.

Last December, FORTUNE named Alcoa to its 2007 Blue-Ribbon Companies list, an honor recognizing companies that appear on at least four FORTUNE lists in a calendar year. Alcoa has also attained recognition as a top role model in sustainable business practices, when named one of the most sustainable corporations in the world for the fourth year in a row at the World Economic Forum in Davos, Switzerland. Alcoa was the only U.S. based company named to the list from the Materials sector.

Alcoa honored as N.C. State's "WISE" program celebrates five years of success

When N.C. State made a commitment to support female students pursuing careers in science and engineering, Alcoa was among the first companies to lend their support. The company was honored for its long-time support at a special event on Tuesday, April 2 celebrating the fifth anniversary of the school's WISE (Women In Science and Engineering) program.

"The financial support we receive from Alcoa has been so vital to the success of the WISE program and especially our mentoring program," said Kathy Titus-Becker, director of the WISE program. "The mentoring program is a hallmark of the WISE program and it wouldn't be possible without Alcoa. It allows us to financially support mentors who help our new students have a successful transition to the University and their specific area of interest."

The celebration was an opportunity for Tommy Gibson, a community relations manager for Alcoa, to meet some of the students and discuss the program's impact firsthand.



April Alix, a sophomore zoology major from Rhode Island, points to the WISE program as the primary reason she chose to attend NC State. She now serves as a mentor to several freshmen students and loves the opportunity to introduce them to the university.

"It was a treat to meet some of the students who benefit directly from our support of the WISE program," Gibson said. "It's evident that the WISE program is having a tremendous impact on these young women and Alcoa is proud to help support the program."

The WISE Program is a collaborative effort between the Colleges of Agriculture and Life Sciences, Engineering, Natural Resources, Physical and Mathematical Sciences, Textiles and University Housing.

Alcoans team up for Special Olympics

Ten Alcoa employees braved the rain on Tuesday, April 1 to lend a hand to athletes competing in the Special Olympics of Stanly County. The Alcoa employees — Nicole Wright, Karen Baldwin, Jana Deese, Dale Ward, Renda Powell, Clay Watkins, Lynwood Butler, Eddie Bowers, Steve Burgess, and Walter Rorie — served as a "buddy" to athletes by helping them compete in their events. They also awarded ribbons, put together lunches for the athletes and helped with parking.



The volunteer effort was an ACTION project (Alcoans Coming Together In Our Neighborhoods) that allows Alcoa employees to provide local non-profit organizations with the two things they need most: time and money. The effort included a \$3,000 ACTION grant to the Special Olympics of Stanly County.

Kathy Odell, event coordinator for Special Olympics, was very glad to have the help from Alcoa.

This electronic newsletter is designed to keep the community informed about important issues related to the relicensing of the Yadkin Project.

- [Sign up for newsletter mailing list](#)
- [Share your feedback](#)
- [Download newsletter \[PDF\]](#)

"Our local group has struggled with funding," she said. "There is no way to thank Alcoa enough or understand what this means to us. In the past, we did not have the resources for the food and t-shirts for this event and had to go to the local community to beg for help. Having funding sources like this really helps us concentrate on the athletes."

Old North State Club to host ACC Golf Championship

There's no better test of golf in central North Carolina than the one you will find along the shores of Badin Lake at the Old North State Club. The Uwharrie Point course, a top rated design by the legendary Tom Fazio, will host the ACC Golf Championship for the seventh consecutive year on April 18-20, 2008.



Last year, Virginia Tech and Georgia Tech shared the team title, while Jonas Blixt of Florida State won the individual title.

"Other leagues around the country are quite envious of the ACC when it comes to the site of its league's championship. The setting and ambience of the Old North State Club has few equals," Carter Cheves wrote in the March/April issue of Triangle Golf Today. "If you like drama, and scenery, the 18th hole at the Old North State Club delivers them both."

For six consecutive years, a panel of distinguished golf writers, professionals, and avid players has rated the Old North State Club as the top private course in North Carolina. Of all the courses in North Carolina, only Pinehurst #2 rates higher.



Balancing Energy Generation, Recreation *and* Environmental Resources