



Yadkin Relicensing News

Stakeholders reach agreement on the future of the Yadkin Project

Federal and State agencies, local governments, Catawba Indian Nation, environmental organizations and homeowner groups support agreement that will protect more than 6,000 acres, expand recreation opportunities and improve water quality.

After more than a year of negotiations, stakeholders have reached an Agreement in Principle (AIP) regarding the future operation of the Yadkin Hydropower Project managed by Alcoa Power Generating Inc. (Alcoa-Yadkin). The agreement will provide more stable water levels in High Rock Lake, significant recreational enhancements and important environmental protections, including the protection of more than 6,000 acres of Alcoa-Yadkin owned property.

“We worked hard to reach an agreement that satisfies the interests of our stakeholders, and we’re extremely pleased with the level of support the agreement has received,” said Gene Ellis, licensing and property manager at Alcoa-Yadkin. “This agreement reflects the involvement, input and influence of many different organizations.”

Alcoa-Yadkin has agreed to make more than 40% of its land holdings available for purchase by the state of North Carolina or private groups for the purpose of recreation, game lands or conservation. The land includes 2,500 acres along High Rock Lake, 2,400 acres along Tuckertown, and 1,400 acres for the future expansion of Morrow Mountain State Park. In addition, it is anticipated that Alcoa will donate 275 acres for the expansion of Uwharrie National Forest and 80 acres for Eagle Point Nature Preserve in Rowan County.

“This agreement represents one of the largest and most important conservation opportunities we have seen in the Southern Piedmont in a generation. We may never see another conservation opportunity of this scale again,” said Jason Walser, executive director of the Land Trust of Central North Carolina. “What’s truly significant is the quality of the land being offered by Alcoa. The waterfront land possesses incredible ecological value, and nearly all of the proposed land will be available to the public for recreation or hunting.”

Other environmental protections include measures to improve water quality within and below the Yadkin Project and continued efforts to protect Bald Eagles and other rare, threatened and endangered species through responsible management and monitoring. Alcoa-Yadkin will invest millions at the Yadkin Project developments to increase dissolved oxygen levels and improve water quality.

AIP Highlights

- Keeping More Water in High Rock Lake
- Protecting the Lakes During Drought Conditions
- Providing New Recreation Opportunities
- Improving Water Quality
- Protecting Fish and Wildlife
- Community Enhancements
- Making the Lakes Safer
- Land Protection

Keeping More Water in High Rock Lake

You can expect to see more water in High Rock Lake. An extended recreation season will run from early spring (April 1) to late fall (October 31), providing higher water levels for an additional three months. During this peak recreation period, it’s anticipated that water levels at High Rock will average about 3 feet below full over the long term. Alcoa-Yadkin will significantly decrease generation if water levels drop below 4 feet.

During the shorter winter drawdown period (December 1 to February 28), water levels are anticipated to be approximately 8 feet below full pool, over the long term, with a significant decrease in generation if the water level goes below 10 feet.

Badin, Tuckertown and Falls will continue to be operated as under current conditions.

Protecting the Lakes During Drought Conditions

Droughts will have less impact on water levels in the future as a result of a new drought management plan. The plan will better protect water levels by requiring Alcoa to send less water downstream and generate less energy when drought conditions are present.

“I believe this agreement in principle is a positive step forward in the relicensing process with Alcoa, although some issues remain to be worked out,” said Bill Ross, secretary of the N.C. Department of Environment and Natural Resources. “DENR looks favorably upon the potential acquisition of conservation lands, which will complement the water quality, environmental, fish and wildlife, recreational and other benefits to be gained through a final agreement.”

Other highlights of the agreement include an extended recreation season that will keep more water in High Rock Lake; a drought management plan that will better protect water levels during drought conditions; a more consistent downstream flow regime; and a number of new recreation opportunities, including a new public recreation area in Rowan County, new fishing piers at High Rock Lake and Tuckertown, 10 new dispersed, hardened campsites and funding to improve the Yadkin Pee-Dee River Trail. These enhancements are expected to provide positive economic impacts to the region.

Keeping More Water in High Rock Lake

High Rock water levels have been a key interest throughout the relicensing process, largely as a result of a severe drought in 2002 that affected reservoirs across central North Carolina. From April 1 to October 31, it is anticipated that water levels at High Rock will average about 3 feet below full, over the long term. Alcoa-Yadkin will significantly decrease generation if water levels drop below 4 feet.

During the shorter winter drawdown period (December 1 to February 28), water levels are anticipated to average approximately 8 feet below full pool, over the long term, with a decrease in generation if the water level goes below 10 feet.

As part of the plan to keep water levels higher, the agreement includes a drought management plan (known as a “low inflow protocol”) that will require Alcoa-Yadkin to send less water downstream and generate less energy when drought conditions are present. The plan requires other large storage reservoirs to share the responsibility for sending water downstream to prevent High Rock Lake from being unfairly impacted by drought conditions.

“This represents a significant improvement in the operation of High Rock Lake, and we are excited about the multiple benefits of relatively stable water levels in High Rock as compared to historic fluctuations. In times of drought, water to satisfy downstream needs will be supplied proportionally by High Rock, Badin, and Tillery, insuring High Rock should never again experience the extreme drawdown that happened in 2002,” said Larry Jones, president of High Rock Lake Association. “We are pleased that Alcoa recognized the need for significant changes to the Shoreline Management Plan. We’ve worked hard for the past couple of years to obtain these changes, and our board believes we need to stay engaged in the process.”

Community Enhancements

The agreement in principle includes several items designed to assist local governments.

Other large storage reservoirs will share the responsibility for sending water downstream to prevent High Rock Lake from being unfairly impacted by drought conditions.

Providing New Recreation Opportunities

There will be many new ways for swimmers, boaters and fishermen to enjoy the lakes. Alcoa has agreed to spend more than \$7.5 million to enhance public recreation opportunities over the term of the license. Plans call for a new public swim area in Rowan County, new public fishing piers and improved tailrace fishing access at High Rock and Tuckertown and 10 new hardened, dispersed campsites. Other highlights include improvements to portage trails and the Yadkin Pee Dee River Trail; the addition of new portable restroom facilities at 8-10 locations; and upgrades that will make up to 10 sites ADA accessible.

Improving Water Quality

The water quality within and below the Yadkin Project should see significant improvements. Alcoa-Yadkin will invest millions to increase dissolved oxygen levels and improve water quality in the tailraces. Work will be completed by 2012.

Protecting Fish and Wildlife

The new operating guidelines at High Rock Lake should provide significant benefits to fish and aquatic resources. In addition, Alcoa-Yadkin has agreed to continue to stabilize water levels during spawning season each spring. Alcoa-Yadkin will continue its efforts to protect Bald Eagles and other rare, threatened and endangered species through responsible management and monitoring.

Community Enhancements

Alcoa-Yadkin will work to improve the local community and protect the region’s cultural resources. It will donate land around the Badin Public Recreation Area to the Town of Badin and make additional property available for purchase; nearly eliminate the charge for water withdrawals to the

Alcoa-Yadkin will donate land around the Badin Public Recreation Area to the Town of Badin and make additional property available for purchase. Also, the current charges for withdrawing water from Tuckertown and Badin Lakes will be nearly eliminated for the city of Albemarle.

Alcoa-Yadkin has pledged to continue working with City of Salisbury officials in an attempt to find cost-effective ways to minimize the challenges for its water utility posed by sedimentation and flooding.

Next Steps in the FERC Relicensing Process

The agreement in principle represents an important milestone in the relicensing process. Those organizations who signed the agreement in principle will begin work this week to develop a formal Relicensing Settlement Agreement that will be submitted to the Federal Energy Regulatory Commission in early 2007 year. The agreement in principle provides a framework for development of the Relicensing Settlement Agreement.

"The AIP represents a fundamental agreement about how we will operate the Yadkin Project for the next 50 years. Now, we'll begin the process of fleshing out the details and fine-tuning the language," said Gene Ellis, Alcoa-Yadkin licensing and property manager.

FERC will carefully review and consider the terms of the Relicensing Settlement Agreement to determine future operating requirements for the Yadkin Project.

In the Community

Salisbury hosts Thunderbird convention

On August 14-20, Salisbury will host the International Thunderbird Club for its 13th Annual Convention. The classic Ford cars will be featured at a special show at the Holiday Inn on Saturday, August 19.

On Friday, August 18, the city will host 50's Night Out in downtown Salisbury. Thunderbirds will be on display in the F&M parking lot at the corner of North Main and East Liberty Streets. For a full schedule of events, visit www.intl-tbirdclub.com.

Did You Know?

Alcoa has developed a new type of upscale wine stopper that is gaining popularity with winemakers around the globe. The Alcoa Vino-Seal™ combines a glass stopper with an inert o-ring to provide an airtight seal that protects the wine's purity, flavor and bouquet. The innovative stopper — similar to a traditional crystal decanter — represents an attractive alternative to cork. No corkscrew is needed for opening the bottle and the wine can be resealed with the closure.



What They're Saying

Town of Albemarle; and continue to work with Salisbury in an attempt to find cost-effective ways to minimize the challenges posed by sedimentation and flooding.

More Flexibility for Homeowners

Homeowners who live along the lakes will have more flexibility when building piers and other structures under a revised Shoreline Management Plan. The agreement will allow more options in pier construction (length, dimensions, construction materials, etc.), permit the construction of boat lifts, gazebos and shelters on piers, and reduce the minimum water depth requirement for new piers from 8 feet to 6 feet.

Making the Lakes Safer

Alcoa-Yadkin has agreed to provide annual funding to the N.C. Wildlife Resources Commission for the purchase and installation of buoys and hazard markers around the lakes.

Land Protection

A significant portion of Alcoa-Yadkin's property will be protected. Alcoa-Yadkin has agreed to sell more than 40% of its land holdings for recreation, game lands and conservation. The land includes 1,400 acres for the future expansion of Morrow Mountain State Park, 2,400 acres along Tuckertown and 2,500 acres along High Rock (primarily north of I-85).

In addition, Alcoa-Yadkin has agreed to donate 275 acres (including Pear Tree Island) for Uwharrie National Forest and 80 acres at Eagle Point Nature Preserve and Park in Rowan Co.

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Larry Jones, High Rock Lake Association

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Jason Walser, Land Trust for Central North Carolina

"... a positive step forward in the relicensing process with Alcoa..."

Sec. Bill Ross, NC Dept. of Environmental & Natural Resources



Stakeholders Signing the Alcoa-Yadkin Agreement in Principle

- Alcoa-Yadkin
- American Rivers
- Badin Lake Association
- Badin Museum
- Catawba Indian Nation
- City of Albemarle, NC
- High Rock Business Owners Group
- High Rock Lake Association
- Land Trust for Central NC
- Montgomery County, NC
- The Nature Conservancy (SC Chapter)
- NC Division of Water Quality
- NC Division of Water Resources
- NC Wildlife Resources Commission
- Pee Dee River Coalition
- Piedmont Boat Club
- Progress Energy
- Rowan County, NC
- Salisbury/Rowan Assoc. of Realtors
- SC Coastal Conservation League
- SC Department of Health & Environmental Control
- SC Department of Natural Resources
- Town of Badin, NC
- U.S. Environmental Protection Agency
- U.S. Forest Service
- Uwharrie Point Community Assoc.
- Yadkin Pee Dee Lakes Project

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

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Balancing Energy Generation, Recreation *and* Environmental Resources