



Yadkin Relicensing News

Alcoa-Yadkin Files License Application with FERC; Settlement Negotiations Continue

The Yadkin Division of Alcoa Power Generating Inc. (Alcoa-Yadkin) has filed an application with the Federal Energy Regulatory Commission (FERC) for a new 50-year license that will regulate the company's hydropower operations along the Yadkin River. Meanwhile, the company is continuing efforts to reach a settlement agreement with stakeholders interested in the future management of the hydropower project. If an agreement is reached, it will be filed with FERC as an offer of settlement for FERC to consider.

"The license application represents our attempt to strike a balance between several competing interests, including power generation, environmental protection and recreation," said Gene Ellis, Alcoa-Yadkin licensing and property manager. "While generating clean and renewable hydropower remains our primary interest, the license application reflects Alcoa's continued commitment to responsible environmental stewardship and offers several recreational enhancements, including an extended recreation season, new recreation opportunities and plans to limit the impact of drought conditions."

The filing of the license application represents a significant milestone in the relicensing process, but much work remains before a new license is issued. FERC will carefully review the license application, solicit public feedback and conduct its own assessment of the Yadkin Project during the next two years before issuing a new license. Alcoa-Yadkin's current license expires in April 2008.

The Yadkin Project generates 215 megawatts of hydropower, making it one of the largest providers of renewable energy in North Carolina.

Settlement Negotiations Continue

Alcoa-Yadkin has been meeting with stakeholders for more than three years and is currently working with state and federal agencies, local governments, recreational users and environmental organizations in an attempt to reach a settlement agreement.

Such an agreement would likely address key issues such as water levels, drought management, water quality, recreation enhancements and land conservation. It would be sent to FERC as a recommendation regarding new license conditions.

"We feel good about the settlement negotiations process and hope that we can reach an

Around the Lakes

Water safety campaign encourages boaters to "play it safe on the lakes"

Alcoa-Yadkin will launch its annual water safety campaign in conjunction with the start of the summer recreation season and National Safe Boating Week (May 20-26).



"There's nothing more heartbreaking than hearing about drowning accidents that could have been prevented if people would simply wear a life jacket," said Tommy Gibson, community relations manager at Alcoa-Yadkin. "We want to remind everyone to wear life jackets while they enjoy the lakes. It's the single best way to ensure your safety."

The campaign, sponsored by Alcoa-Yadkin and the North Carolina Wildlife Resources Commission, features a combination of print and radio ads, produced in both English and Spanish.

Alcoa-Yadkin is sponsoring the campaign in an effort to prevent drowning incidents at the Yadkin Lakes. Several people have drowned at the Yadkin lakes during the past five years.

Public swim areas open on May 15
Swim areas at public recreation sites operated by Alcoa-Yadkin opened for the summer recreation season Monday, May 15.

Upcoming Events

agreement,” Ellis said. “We’ve been working closely with local residents interested from the start and believe a settlement agreement provides the best opportunity to resolve key issues locally.”

In 2004, Alcoa successfully reached a settlement agreement during the relicensing of its Tapoco Hydropower Project in western North Carolina and eastern Tennessee. The agreement was widely applauded by resource agencies, local officials and environmental groups. The company hopes to achieve similar success with the Yadkin Project.

If stakeholders can reach a comprehensive settlement agreement, it would be signed by participating parties and submitted to FERC for consideration.

Highlights of the License Application

Extended Recreation Season: Alcoa-Yadkin proposes an extended recreation season that would provide higher water levels at High Rock Lake from April 1 to October 31. Under normal stream flow conditions, water levels would gradually rise during the spring and would remain within 2_ feet of full from June 15 to July 15.

Drought Management: One of the most significant elements of the license application is a commitment by Alcoa-Yadkin to operate in accordance with a “Low Inflow Protocol” that would limit power generation — and keep more water in the reservoirs — during drought periods.

Water Quality: Alcoa-Yadkin proposes to spend several million dollars to install new aeration technology at the High Rock and Badin powerhouses. The move is designed to improve water quality in the tailraces at all four dams operated by Alcoa-Yadkin along the Yadkin River.

Recreation Enhancements: Alcoa-Yadkin proposes spending more than \$3 million to provide improved recreation opportunities. Specific plans include the donation of land to Rowan County for a new public recreation site and swim area on High Rock Lake; the development of new fishing piers at High Rock Lake and Tuckertown; the creation of new hardened, dispersed camp sites; and the addition of new restroom facilities at several existing recreation areas.

In the Community

Alcoa Donates Library Building to Town of Badin; Donation ensures permanent home for Vann Memorial Library

Alcoa has donated a company-owned building to the town of Badin to serve as a permanent home for the Badin library. The one-story brick building on Pine Street has served as home to the Vann Memorial Library since 1983 through a \$1 lease with Stanly County.



Beach Blast 2006

May 20, 2006

Downtown Albemarle

Enjoy the festivities of downtown Albemarle’s annual Beach Blast. The celebration begins at 8:00 am with a 5K race, sponsored by the Uwharrie Running Club, and continues throughout the day with family activities, a car show, art show and of course, ends with legendary concerts. The band Superglide will entertain visitors from 4:30 pm until 7:30 pm, followed by The Breeze, who will play from 8:00 pm until 11 pm. For more information, visit www.beachblast2006.com.

Did You Know?

In 2004, 89 percent of the 484 people who drowned during boating accidents nationwide were not wearing life jackets. (Statistics provided by U.S. Coast Guard.)

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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Alcoa formally presented the library building to Mayor Jim Harrison at a special ceremony on April 13. State representative David Almond, Stanly County commissioners and library board members also attended the ceremony.

Tommy Gibson of Alcoa presents a plaque to Mayor Jim Harrison to commemorate the donation of the library building.

“We’re grateful to Alcoa for donating this valuable piece of property to the people of Badin. The library represents an important place in our community and it now has a permanent home,” Mayor Harrison said.

“This is another example in a long line of support Alcoa has displayed in Badin and Stanly County,” said Benjamin Jolly, chair of the Stanly County library board.

Several years ago, former Mayor Tom Garrison initiated discussions with Alcoa officials regarding the possible sale of the library building.

“I know Mayor Garrison would be proud that the library has found a permanent home. He wanted to ensure the town never lost its library and Alcoa is delighted to help the town realize his vision,” said Tommy Gibson, environmental and community relations manager for Alcoa.

The library building was built by Alcoa in 1951 and served as a medical clinic for many years before housing the library.

The Badin library, part of the Stanly County library system, was established in 1939. From 1939 to 1983, Alcoa provided space for the library in a former bank building on Falls Street.

Balancing Energy Generation, Recreation *and* Environmental Resources