



N.C. Department of Environment and Natural Resources

Release: Immediate
Date: May 7, 2009

Contact: Susan Massengale
Phone: (919) 807-6359

WATER QUALITY CERTIFICATION WITH CONDITIONS ISSUED TO ALCOA

RALEIGH – The state Division of Water Quality today issued a water quality certification to Alcoa Power Generating Inc. with conditions to ensure that operation of the hydroelectric generating system will protect state water quality standards, including guaranteed financial support for upgrades related to water quality improvements. This certification does not address issues raised in Gov. Perdue's intervention in the FERC relicensing procedure.

DWQ's review for the certification considered potential water quality impacts from all aspects of the hydroelectric operation that includes facilities at Badin Lake Dam, Falls Dam, High Rock Reservoir and the Tuckertown hydroelectric complex. The evaluation included water quality testing of discharges from the dams; potential movement of sediments and contaminants as a result of the operation of the dams; and low-flow conditions and other potential impacts to aquatic life.

To protect surface water quality in the Yadkin River system, the 401 Water Quality Certification includes the following requirements:

- Sediment removal at the city of Salisbury raw water intake facilities to promote the continued functioning of the intake and use of the waters as related to the designated use for water supply.
- Monitoring of the discharge from the four power generating stations to ensure compliance with water quality standards.
- Monitoring of sediment in the Badin Lake swim/picnic area and Badin Lake boat access area down to the Badin Lake dam for heavy metals, PCBs and poly-aromatic hydrocarbons to ensure that the project operation does not result in the downstream transport of contamination.
- Plan to monitor and regulate reservoir levels and flows of power-generating station operations. The plan must include low-flow protocols for the lakes in the APGI Yadkin River system project in case of drought.
- A plan to increase dissolved oxygen levels in order to meet water quality standards done in accordance with the settlement agreement schedule. An additional in-depth engineering study will be done this summer by APGI to demonstrate the effect of recent turbine upgrades.
- A continuing compliance provision (reopener clause) to ensure that the Division of Water Quality can modify the 401 Certification if water quality-related problems develop in the future that can be remedied in the 401 Certification.
- Portions of the Relicensing Settlement Agreement that are relevant to water quality along with additional site-specific conditions.
- A surety bond in the amount of \$240 million to guarantee that financial resources are available to make improvements to the hydroelectric turbine system in order to improve dissolved oxygen levels in the discharges.

The 401 Certification and hearing officer's report can be found online at <http://h2o.enr.state.nc.us/admin/pubinfo/DWOPubInfoNewsReleases.htm>.

###