1	UNITED STATES OF AMERICA
2	FEDERAL ENERGY REGULATORY COMMISSION
3	SCOPING MEETING
4	GORDON BUTTE PUMPED STORAGE HYDRO PROJECT
5	GB ENERGY PARK LLC PROJECT NO. 13642-001
б	Montingdolo Community Contor
7	Martinsdale Community Center 110 Main Street
8	Martinsdale, Montana 59053
9	Wednesday, June 25, 2014 6:00 p.m. (MDT)
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12	PRESENT FOR THE FEDERAL ENERGY REGULATORY COMMISSION:
13	Jennifer Hill - Chief, Northwest Branch Division, Hydropower Licensing
14	Michael Tust - Fish Biologist/License Coordination
15	Dianne Rodman – Terrestrial Biologist
16	Sean O'Neill – Project Engineer
17	Cleo Deschamps - Attorney-Advisor
18 19	
20	PRESENT FOR ABSAROKA ENERGY LLC:
21	Carl E. Borgquist - President & CEO
22	Rhett Hurless - Senior Vice President, Techinical/Engineering Development
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1 PROCEEDINGS:

2 MR. TUST: Welcome, everybody. Thanks 3 for coming out. This is the public scoping meeting for 4 5 the proposed pumped storage project, obviously б located right up there up on Gordon Butte. 7 So we're here today to do scoping for an 8 environmental assessment for the project. As FERC, Federal Energy Regulatory Commission, we're required 9 10 to evaluate the proposal and produce an environmental document to look at the effects of licensing the 11 project, and evaluate alternatives and receive input 12 from you all, the public, and get your opinions and 13 14 comments on what the issues are that we should be addressing in our document. 15 16 So I haven't introduced myself yet, I'm 17 Mike Tust, I'm a fish biologist with the Federal

18 Energy Regulatory Commission, or FERC. And in 19 addition to addressing the aquatics and fish issues 20 for the project, I'll be coordinating the licensing. And with me I have the other team members on the 21 22 licensing staff. When you first walked in is Dianne 23 Rodman, she's the terrestrial biologist, she'll be 24 handling all the terrestrial resource issues as well 25 as the vegetation issues and certainly the threatened

1 and endangered species issues for the project.

2 To my left, we have Jen Hill, who is the 3 chief of the Northwest Branch Division of Hydropower 4 Licensing, Sean O'Neill, who is the engineer for the 5 project. He'll be handling geologic and soil б resource issues, air quality issues, and reviewing 7 the plans and exhibits to the project. And then to 8 the far left, we have our attorney, Cleo Deschamps. And then over here -- to the other left I guess I 9 10 would say, it's kind of late, we've been up all day just going around the sites of this -- we have Denise 11 Nowak who is our court reporter. She'll be recording 12 13 the conversations and discussions today. It will be 14 officially part of the record.

15 So during this, we're eager to hear from 16 you and eager to get your opinions and comments on 17 the project of what you think we should be evaluating 18 in our environmental document. So there are plenty 19 of ways for you to contribute. One is obviously to 20 contribute to the discussion tonight. If you don't 21 wish to speak up in person, you can submit written 22 comments. There's a registration form that we ask 23 you to fill out.

If you haven't signed in, I believe you all have, but we would appreciate that you sign in

1 there and get a copy of the scoping doc so you can 2 follow along with us tonight.

3 Another way to provide your comments is 4 on line, we have an eLibrary, an eComment tool; it's 5 on FERC.gov under documents and filings. There's an б eComment tab where you can submit your comments 7 online. ELibrary is our repository for all the documents that get filed with the project. The 8 project number for that is P-13642. So if you go on 9 10 eLibrary, you can go and check and see all the documents that have already been filed for the 11 project so far, and any future filings will also be 12 13 on there.

14 In terms of online, you can also eSubscribe to the project, that's also on that tab 15 16 under FERC.gov, documents and filings; it's called 17 eSubscribe. If you want to be alerted to any filings 18 that come in rather than having to go on eLibrary to check, you can receive an e-mail notification that a 19 20 new filing has come in. So it's another way for you 21 to keep up with the project.

And finally, in the back of the scoping doc we have for you, there's a mailing list. This is the official mailing list for the project, starting on page 22. If you don't see your name here and you wish to be on the official mailing list so you're given all the documents that come in, feel free to follow the procedure in the paragraphs there under 10.0 on page 22 to be able to add yourself to the mailing list. If you need help, there's a call number there, and they should be able to help you as well.

8 So like I said, we're here today to hear from you about the environmental issues that we 9 10 should be evaluating in our environmental document. For those of you who don't know who FERC is or what 11 12 we do, we're an independent regulatory agency, we 13 regulate the interstate transmission of electricity, 14 natural gas and oil, but we also review proposals to build natural gas pipeline, liquified natural gas 15 16 terminals, and licensing hydropower projects, like 17 the Gordon Butte Pumped Storage project here in 18 Meagher County.

Within FERC, the hydro licensing is done out of the Office of Energy Projects. We're all based in Washington D.C. where the Office of Energy Projects' headquarters is. And within that, there are six regional branches, and all of us here on the licensing team are on the Northwest Branch.

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The applicant has the option to submit an

1 application under three different licensing processes 2 that we oversee. They've chosen the traditional 3 licensing process. And the major difference between 4 the traditional licensing process and what our 5 default one is, that most projects come in under the default process would be, is really where our б 7 involvement is in the project in the process. 8 So for our default, which is called the integrated, we would be involved a lot in the 9 10 pre-filing stage, meaning before they actually submit a license application for us. So the applicant would 11 consult the agencies and the public and have their 12 13 public meeting, issue their preliminary application 14 documentation, which they did on April 29th, 2013, they had an environmental site visit and a public 15 16 meeting in August of 2013, and they're receiving 17 comments back from the agencies and other stakeholders in the formulation of their study plans, 18 and the issues that they need to find out more 19 20 information through their studies. 21 Now, normally we wouldn't be involved at 22 this stage, but the applicant has asked us to do 23 early scoping, so that's why we're here today. We 24 agreed to do early scoping to try to flush out the 25 issues a little more and to better iron out the

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1 issues that we need to address.

2	So with that, I'll turn it to Carl and
3	his team to give a brief presentation on the project
4	for you and where it stands today.
5	So Carl?
б	MR. BORGQUIST: Thank you. Thank you,
7	all for being here. Some of you I know, I'd like to
8	meet those of you that I don't. My name is Carl
9	Borgquist, I'm from Bozeman, Montana. My company,
10	Absaroka Energy, is the developer of this project.
11	We have a single purpose entity called GB Energy Park
12	LLC that is the single purpose entity to prosecute
13	the development of the project, so if you hear that
14	name, GB Energy Park, that's really this particular
15	development.
16	I've got some folks here that work with
17	me, and I want to introduce them to you so you can
18	ask questions of me or them as you wish. My XO is
19	Rhett Hurless, project manager; a graduate of MSU in
20	engineering, and kind of the head of our project
21	development team. Eli Bailey is back in the back
22	corner, he's our assistant project manager. And Paul
23	Baucus, some of you know, does business development
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24 for Absaroka Energy. We're all based in Bozeman 25 working on the project.

In addition, we have here a number of 1 2 experts that have been helping us. We're not 3 biologists and cultural experts, so we've engaged 4 some experts to help us gather the information and do 5 the study work, and I want to introduce them to you. б First, the gentleman sitting to my left, 7 Marty Weber, is from Stanley Consultants. Stanley is 8 an engineering firm out of the midwest. Stanley is our owner's engineer, and if you have any engineering 9 10 questions, he is the gentleman to ask. Steve Padula is with McMillan. McMillan, and Steve in particular, 11 is assisting us with the FERC licensing process. 12 13 It's the federal government, and it's quite 14 complicated sometimes to navigate, so he helps us navigate those waters. Pam Spinelli, raises your 15 16 hand a little higher. There she is. She is a 17 wildlife biologist with Garcia & Associates, and is 18 helping us conduct the wildlife studies and surveys. 19 Leanne Roulson is with Hydro Solutions. Hydro 20 Solutions is helping us with our fishery issues and 21 water issues. Steve Laufenberg is with Cobb Crest, 22 and Kevin Schneider, up here in front, is with 23 Barnard Construction. Barnard is a very large EPC 24 contractor that has a lot of experience in dam 25 construction and hydro facilities. And it is our

1 intention for them eventually to be the EPC

2 contractor and build this project; another Montana
3 company.

I want to take a minute to describe to you what the heck it is that we're trying to do here. We've got some images that we've blown up here that I hope you come up after the presentation to take a look at. Hopefully a picture is worth a thousand words, and I'm going to call attention to them right now.

11 Over here on my right we've got this Google Earth view where we have mocked up the upper 12 and lower reservoir. Obviously you're all from 13 14 around here, you know those reservoirs don't exist 15 right now, but this is a representation of the two reservoirs. These are about 4,000-acre feet, about 16 17 80 acres, various depths, and they're connected by an underground penstock of about 18 feet in diameter. 18 19 I'm calling your attention now to a cutaway up on the 20 other side of the room where you can see a 21 representation of the upper reservoir, connected by 22 that penstock, to the lower reservoir. 23 The power station for this facility will

24 be in the ground. A little bit of the top roof may 25 be above ground, but most of this, going down about

160 feet, will be in the ground. And in the ground 1 2 will be a stack not unlike the cutaway you see across 3 the room there, with a turbine on the top, a motor 4 generator and a pump, all on a single shaft. Again, 5 all buried in the ground. Four of these units will 6 be in there at 100 megawatts in a short circuit 7 arrangement, and I'll explain what short circuit 8 means in a moment.

9 The connection to the grid, obviously 10 this power station needs to be connected to the grid, 11 will come out to Cottonwood Road, and then out to the 12 Colstrip 500 KB line south of the project. This will 13 all be on 71 Ranch property, the entire route out to 14 the Colstrip line.

15 You all probably know this: The Colstrip 16 line is owned and controlled by five very large 17 utilities that do business in the northwest. So when 18 we interconnect them with the Colstrip line, there's the opportunity, and I think eventually this will be 19 20 the business case and the reality for the station, is that this will be a grid tool used by utilities to 21 22 keep their systems reliable. I'll explain what that 23 means in a little more detail in just a minute.

Again, a closed loop system. So these things don't exist, these reservoirs, they'll be dug

in and constructed with earthen berm and roller compacted concrete and then aligned. We will fill the lower reservoir, and then be moving water back and forth every moment of the day as the grid or the user of the facility needs to either take electrons off the system, and pump, store energy, or release electrons and generate energy.

8 This kind of equipment that you see in the cutaway is in wide use in other parts of the 9 10 world. We've built pumped storage in the United States, but we don't have this modern equipment in 11 those pumped storage facilities. And as we put more 12 13 renewables, and just for generation on the grid, 14 there have been more demands to keep the grid healthy and have something to act as a shock absorber and/or 15 16 a battery. And this is kind of the business case for 17 the facility.

18 So I'll give you a real world example 19 from Montana, just to illustrate what I'm talking 20 about. We all know that our utility, Northwestern 21 Energy, is considering buying dams from PP&L. These 22 dams are run of the river. So what that means is at 23 night they keep running; they keep producing 24 electricity because they need to feed water to the 25 fish below the dam.

1 So what do we do with the energy at 2 night? Well, obviously we're not turning the lights 3 on and using that energy, so we need someplace for it 4 to go. A facility like this could pump during the 5 night, and then allow that energy to come back out 6 during the day when the demand is there and prices 7 are higher.

8 The system also, because of its ability to pump and generate at the same time, can act as a 9 10 shock absorber. Again, I think you all probably know this, because we're in wind country, these wind 11 generators, though they spin all the time, they're 12 not necessarily producing energy, and the energy they 13 14 do produce ramps up and down in terms of how it 15 affects the grid very quickly. And it's very 16 difficult for the utilities to control their system 17 when they're constantly having to try to figure out 18 how to replace that energy that's coming on or off 19 the grid, what do they do with it and how they manage 20 it. So a facility like this can act as a shock 21 absorber and quickly take electrons, pump water up, 22 or release electrons and create the energy to keep 23 the system balanced.

24 We also know that our system, our 25 transmission, all of this is an issue. We want to

1	try to get the most out of it that we can. A tool
2	like this would allow us essentially to store energy
3	for short periods of time, keep the transmission
4	system fully utilized. That's a benefit for rate
5	payers and for well, it's a benefit for the
б	utilities that we hope will translate to a benefit
7	for rate payers from the utilities using the system.
8	The project, give or take, is about a
9	billion dollar project all in, though if you look
10	this is a mock-up of what you would see from Highway
11	294 directly in front of the project right in this
12	area, it will be difficult when you drive by to even
13	understand that all of this equipment is back there.
14	You won't see it. You won't know it's back there
15	unless you know it's back there.
16	But it's a huge amount of tax revenue and
17	jobs, about 300 to 350 construction jobs, and once
18	the facility is built, it takes about three years to
19	build it, another six months to get it into
20	operation; after that, about 20 to 24 jobs are
21	expected, and the Montana Department of Commerce
22	estimates those jobs will average \$87,500 in terms of
23	a competitive wage. So there's economic opportunity,
24	I think, that will obviously come from the facility
25	being installed and in operation.

MR. MCCOLLOM: Are they going to give
 local residents a first come/first serve on those
 jobs?

4 MR. BORGQUIST: I can't say, because I'll 5 probably be gone at that point, honestly. But my 6 intention is that this be a Montana project and we 7 use Montana workers first. We're a Montana company. 8 And of course from the operator's perspective, if the 9 workforce is there with the appropriate skills, then 10 that's a win for everybody.

11 MR. TUST: Just to chime in here. So for 12 anybody that wants to comment, just to get it on the 13 record, if you could just please identify your name, 14 and for the first time maybe spell it so she can get 15 it on the record.

16 MR. MCCOLLOM: I'm Rick McCullough.

17 MR. TUST: Thank you.

18 MR. BORGQUIST: Okay, great, thank you. 19 Michael has already gone through kind of the process 20 that we've been through getting to this point, so 21 with that, I'll turn it back to you.

22 MR. TUST: I just want to mention at this 23 point that the applicants are operating under an 24 existing preliminary permit. So this does not 25 authorize construction at this time, but it does

1 maintain priority of the application for the site 2 while they study the site and prepare to file their 3 license application with us. So we're at a stage 4 where we need to hear from you to find out what kinds 5 of issues we need to start evaluating and that we would need to evaluate to determine the licensing 6 7 decision for this project. So I kind of went over some of the 8 purposes of the scoping, but just to reiterate, we're 9 10 inviting you here to identify the environmental socioeconomic issues associated with this project; 11 determine their significance. We've identified 12 13 certain issues that we think are important at this point, but we are eager to hear from you to see what 14 you think. And, again, feel free to offer at any 15 16 time as we go through this. 17 In addition to that, we want you to help 18 us try to identify how we can better perform a 19 cumulative effects analysis for the project and the 20 project area in the vicinity, identify any reasonable 21 alternatives you may have to the project, or any

22 alternatives to any of the environmental measures 23 that they're currently proposing. And if there's 24 issues that we raise that you don't think are 25 important and we shouldn't address, then feel free to

1 tell us that as well.

2	So with that, I'll kind of transfer to
3	the scoping doc itself. If you go to page 6, if
4	you're following along, under the National
5	Environmental Policy Act, which is NEPA, it requires
б	us, FERC, to at a minimum, evaluate the applicant's
7	proposed action, as Carl described, a no action
8	alternative, meaning at this point license denial, or
9	other alternatives to the project that are
10	appropriate that we should be evaluating in our
11	environmental assessment.
12	So if any of you have input on certain
13	reasonable alternatives that we should be addressing,
14	feel free to tell us now, or feel free to comment
15	later during the different ways I told you how to
16	comment, either online or through the mail.
17	So on page 9 we have I won't go
18	through the description of the project and project
19	operations, I believe Carl did that for us there, so
20	we'll kind of move to page 9, proposed environmental
21	measures for the project. Now this is obviously not
22	an exhaustive list here. We're at the early stages
23	of the applicant's proposal. We don't have a
24	licensed application yet, so we don't have a ton of
25	the environmental measures that are eventually going

1 to be proposed, but we do have a few here that we 2 have identified from their preliminary application 3 document. I won't go through them in-depth, because 4 again, these are very early stages in the process and 5 I think it's more important for us to look at the 6 issues themselves. 7 Yes, sir. 8 MR. INDRELAND: I'm Dick Indreland, I'm just local here. But as soon as you get into the 9 10 environmental measures, the one thing that I was wondering is if all the science that you use in 11 making the evaluations will be available or up front 12 13 so that people can look at that and see the basis 14 that you've used to make a determination one way or 15 the other. 16 MR. TUST: Sure. Yeah, so the applicant 17 has proposed certain studies to be done. They have 18 study plans already filed with the Commission that 19 you can review. Once those studies are complete, 20 those results will be filed on our system so they 21 will be publically accessible. And as we write our 22 environmental assessment, any of the analysis that we 23 do will be based on their studies, based on the 24 literature, based on the public material that we will 25 reference in our documents. So you'll see exactly

where we base our decision. We'll have a list of 1 2 references at the end so you can see exactly where we base our decisions for any of the issues that we 3 4 discuss. 5 Anybody else at this point? б MS. MURPHY: Deb Murphy, Bair Ranch. I 7 am concerned about recent geologic episodes at Yellowstone that you can feel here recently, and how 8 secure is that dam going to be in case of a 9 10 catastrophe? And what are you going to do if it 11 fails? MR. TUST: Well, we'll certainly -- if 12 that's an issue that we need to look at, we'll 13 14 certainly include that here and we'll start evaluating it. So thank you for the comment. 15 But if Carl has any additional 16 17 information to address there. 18 MR. BORGQUIST: Yeah. Ma'am, I'm going to let the engineer chime in, because this is much 19 20 more of his lexicon. These roller compacted dams, 21 roller compacted on top and then earthen berm at the 22 bottom. This is a unique scenario for us with this 23 facility because we can either pump water to the 24 upper reservoir or release it, in particular very 25 quickly, we can release it down from the upper down

to the lower. And again, we don't have both filled. 1 2 We fill one, and then the water moves back and forth. 3 So that does a couple of things. It gives us the 4 opportunity, if there's a problem, to move the water 5 out of the way quickly. It also gives us the б opportunity to inspect and repair and have a good 7 maintenance program that's very convenient and easy, 8 where we're not impacting the water supply or a 9 fishery or anything like that. If we want to empty 10 one of the reservoirs and take a look any time, we 11 can do that. Marty will talk about the kind of review 12 13 process we have to go through at FERC in terms of having our engineering reviewed, and that will also 14 include reports and studies we have to prepare and 15 make available about these kinds of issues and what 16 17 effect there would be if there was such an event. 18 Another fortunate part of this, again, on 19 the upper reservoir, we can evacuate the water to the 20 lower very quickly. The lower reservoir really 21 evacuates, if there's a problem, into the Musselshell 22 River. And we again have the ability to move the 23 water back and forth, which is a --24 MS. MURPHY: The Musselshell River is 25 quite a concern.

1 MR. BORGQUIST: I'm going to ask Marty to 2 talk a little bit about the kind of safety measures and review process we have to have as part of this 3 4 process, and just to talk a little bit about these 5 kind of dams and their safety record. б MR. WEBER: Okay, yeah. First of all, 7 the design of the dams themselves will be designed by 8 a qualified firm that will be part of the contractors' team. Those designs will be reviewed by 9 10 my company, they'll be reviewed by FERC, and they're going to be reviewed by an independent board of 11 consultants. The board of consultants are all 40 12 13 years' experience engineers that have seen a lot of 14 this before. So the design will be reviewed quite a 15 bit. 16 The design standards that will be used 17 for the design, in the first place, are well 18 established standards that have been used before, and 19 they do take in to account any forces that are due to 20 seismic activity, okay. And we'll figure out what 21 the potential seismic event is for this area and it 22 will be designed for it.

Once it's constructed, or actually during construction, there're quite a few levels of quality concerns that goes in the construction process itself

1 to make sure that the concrete is right, the soil is 2 compacted and everything is built the way it was 3 designed on paper. So there's a lot of quality 4 assurance and quality control that goes into the 5 construction process. After it's built, there will be a series 6 7 of different source of monitoring equipment that's on 8 these embankments to determine ahead of time if there's a problem. There will be what's called 9 10 inclinometers that tell if an embankment is starting to shift a little bit. The owner of the facility 11 will know immediately and they can take action. 12 13 There will be ways to measure the water that's seeping. We'll try to prevent seepage from 14 these embankments; but you can't stop it, you can 15 16 only control it, and there are ways to measure that. And if seepage is getting to be more than what's 17 18 anticipated, then we drain the reservoir and take a 19 look at it. 20 MS. MURPHY: Well, this is a liability 21 issue for people down from the reservoir. If 22 something happened, what's the liability issue? 23 MR. BORGQUIST: I think the liability is 24 on the owner of the facility, right? So we will be

25 testing, monitoring and building this, because we

don't want any dam failures because we'll be 1 2 responsible for it if it does fail. I think the other thing I wanted to have 3 Marty speak to is this kind of construction had a 4 very good track record; and if you would speak to 5 6 that. 7 MR. WEBER: Yeah. The roller compacted 8 concrete embankments are state of the industry for 9 tall embankments of this sort, and as well are 10 earthen embankments or rock-filled embankments. Again, they're a proven way of retaining water. 11 12 MS. MURPHY: Does this mean that the soil, and that a lot of that is fairly unstable? 13 14 MR. WEBER: Well --15 MS. MURPHY: Or is it fairly stable? 16 Tell me what you're building on, is it fairly stable 17 or unstable? MR. WEBER: The foundation material? 18 19 MS. MURPHY: Yes, sir. 20 MR. WEBER: Up on the top it's an 21 extremely competent rock called shonkinite. Down 22 below it's the Judith formation, which is not as hard 23 as the rock on top, but it's still a very, very hard 24 rock. So we're not building on soil, we're building 25 on rocks.

MS. MURPHY: Okay, thank you. 1 2 MR. WEBER: Yeah, you're welcome. 3 DR. HILL: I just want to add to that 4 that we have word from the environmental staff here 5 for the most part and one attorney, but we also have б a whole group that is just a dam safety group. And 7 they would be involved with reviewing the 8 application. They would be involved with asking 9 questions that we need. And they would be involved 10 with working with the board of consultants that would be looking at the project. 11 We also have, once projects are in, at 12 13 very various times, depending upon how high hazard 14 the dam is, in other words what potential there is 15 for destruction or loss of life or something like 16 that downstream; they would investigate, they would 17 do inspections on frequency and in proportion to how 18 much damage there possibly could be if something 19 terrible happened. 20 There's also emergency action plans that

are required, they have to do testing for that. So we have a whole program, that's quite a renowned program actually, for dam safety. And after they get the application, they would have to file things and then go through a whole process with them in addition

1 before they would have the construction done.

2 MS. MURPHY: Would this be water in 3 Cottonwood Creek? DR. HILL: I didn't hear. 4 5 MS. MURPHY: At any point in time, would this be water in Cottonwood Creek? 6 7 MR. BORGQUIST: No. I mean Cottonwood Creek does dewater, you know that, it does in August 8 9 when there's calls for water and not enough water in 10 Cottonwood Creek. But our proposal is to try to take water during the high runoff periods. We don't need 11 to grow anything, and we need about 35 to 40 days 12 13 over a three-year period to fill the lower reservoir. 14 We haven't formalized this, but our approach is to take runoff water at convenient times 15 16 for the rest of the users in the system, and specifically not create impacts to the other users, 17 18 as we will be the junior water right, which is 19 another protection. But the intent is to be a good 20 neighbor and take it when there's too much water in 21 the system and nobody really needs it. 22 MR. TUST: All right, yes? 23 MS. NICHOLES: Hi, I'm K.G.H. Nicholes, 24 and I live up the valley a little way here. I have

25 two questions. I know there are significant

archeological sites in Castle Mountains, there are 1 2 pictographs and things like that. Has anybody 3 checked the proposed sites for significant archeological sites that might need to be addressed 4 5 before work progresses? The other thing is, you guys obviously 6 7 know your stuff, you're well intentioned, and I love 8 the idea of improving our electrical infrastructure, 9 but I also know that sometimes when there's shortages 10 of budgets or facilities pass from one company to another, and maybe the new people aren't quite as 11 careful about oh, that inclinometer has given us 12 trouble, oh, well, we'll check into it later. If 13 14 worse came to worse and the upper reservoir failed and it was full, is there any possibility of a lot of 15 16 water coming down into Martinsdale and hurting 17 people? And, so, you know, I know you're doing a lot 18 of things to make sure that that doesn't happen, but just with the lay of the land, is it a physical 19 20 possibility? 21 MR. BORGQUIST: Can I answer that? 22 DR. HILL: Go ahead. 23 MR. BORGQUIST: First to the cultural,

24 you'll see that that is a requirement, and we have 25 that as part of the scope.

MS. NICHOLES: Wonderful. 1 2 MR. BORGQUIST: So they're going to review that section and at least give you the 3 highlights. And you are free to go to the website 4 5 and see the studies we've proposed; they're 6 extensive. 7 MS. NICHOLES: Great. Great. 8 MR. BORGQUIST: Okay, that's the first 9 thing. The second thing is part of the dam safety 10 thing that we have to do. We'll have to make a report; we'll have to hire somebody to say if there 11 was -- forget about the ability to evacuate it down, 12 which we'll have the advantage of having that that 13 14 other dams don't have, but we'll have to make a 15 report that would say and identify what would happen 16 if there was a failure up there. 17 And essentially, if you look at the 18 topography, and I'm saying this generally, that 19 report has not been produced yet, but if you look at 20 it generally, the water flows south and back, and 21 there is a tremendous amount of territory back on the 22 Butte to disburse, even if the entire storage system 23 had all of its water, which is unlikely, at any given 24 moment, even if it had all of its water out there. 25 MS. NICHOLES: Thank you.

MR. BORGQUIST: But that information is 1 2 going to be made publically available. 3 MS. NICHOLES: I'm going to subscribe to 4 your website. 5 MR. TUST: I was going to suggest that. I just want to add to the notion of transferring. I б 7 guess what you're saying is if a company comes in and 8 if there's a transfer of a license. They would still 9 have abide by the conditions of the original license, 10 so... 11 MS. NICHOLES: Well, we know that people are supposed to, but there's been pipelines built, 12 there's been bridges that have fallen, you know, I 13 14 mean, facilities get old and sometimes owners don't 15 take the care of them the way that they should. DR. HILL: It would still be under our 16 17 inspection program; we would still have oversight. 18 We have ongoing oversight. 19 MS. NICHOLES: But your budget may be 20 cut. Look what they're doing to the chicken 21 inspectors these days, you know, they're saying oh, 22 we don't have the money to inspect the chickens the 23 way they're supposed to be inspected, we're going to 24 let the lines go faster, we're going to let the 25 companies inspect them themselves, and the political

landscape can change.

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2 So when we're planning, we have to plan 3 not just if we, the careful people, are taking care 4 it, but also to try to have a little bit of a fudge 5 factor in there and think about what could happen if 6 it was mismanaged and mishandled. 7 And look what happened in Japan with 8 those reactors. You know, that's not because the 9 original people did sloppy work. 10 DR. HILL: I understand, and I certainly appreciate your concern. I will let you know that we 11 are -- well, we are funded through appropriations 12 13 from Congress. 14 MS. NICHOLES: Um-hum. 15 DR. HILL: The money comes into Congress 16 -- the money comes in from annual charges from the licensees, so we're actually kind of at a zero budget 17 kind of folks, we actually charge -- it's a really 18 19 great thing. They go through our process and we 20 regulate them and we charge them for us to regulate 21 them. 22 MS. NICHOLES: So they --23 DR. HILL: So money comes in from the 24 people that we regulate. 25 MS. NICHOLES: Well, it --

1 DR. HILL: Now, it does have to be 2 re-appropriated. 3 MS. NICHOLES: Yeah. 4 DR. HILL: But I would imagine that there 5 would be quite a public outcry if we didn't have б budget for the money that they get charged. 7 MS. NICHOLES: They were just considering 8 taking money from the post office's profits that are 9 supposed to be put into the post office to cover 10 another shortfall. So, you know, again, politics can change things, and we don't always have full control 11 12 in perpetuity. 13 MR. TUST: Thank you. 14 Any additional comments before we move 15 on? Yes, sir. 16 MR. BERG: I'm Russ Berg, I'm a neighbor 17 here. In the winter is there going to be enough 18 turbulence to keep this thawed out or from freezing up? What's the scenario on like last March when we 19 20 were 30 below at 20-mile-an-hour winds? Is it going 21 to be able to function at that time or... 22 MR. BORGQUIST: Yes. 23 MR. BERG: -- will it -- it has enough 24 turbulence to keep it thawed out? 25 MR. BORGQUIST: I don't want you to get

the idea that it's like a toilet when it's going back 1 2 and forth. But it's possible, while it's moving one direction or another, it's possible to move 10 feet 3 4 in an hour in terms of its level. So, no, the water 5 is going to be under constant pressure and under constant movement. So I'm sure there could be some 6 7 ice around the edges that form, but no, it wouldn't -- it's not going to affect the ability to operate 8 9 the project.

10 MR. TUST: Okay. With that, I think 11 we'll move on to page 11 of the scoping document 12 which deals with cumulative effects. And after 13 cumulative effects, we'll start getting into the more 14 site-specific resource issues, and we can go through 15 this one by one and give you all a chance to comment 16 on those.

17 So with that, I'll turn it to our 18 terrestrial biologist, Dianne Rodman, to handle this. MS. RODMAN: Cumulative effects are 19 20 basically the idea that this project, or a project, 21 not necessarily this one, could be the straw that 22 breaks the camel's back for some resource. And so we 23 look at the potential of the proposal to have a 24 cumulative effect on any of the resources that the 25 project involves.

1 In this case, we've come up with 2 terrestrial resources as something that could add to other actions in the area to affect vegetation and 3 4 wildlife. And the reasons for this is that we do 5 have the wind farm in the vicinity of the upper б reservoir, and we do have agriculture in the vicinity 7 of the lower reservoir. 8 The construction itself of just the reservoirs alone will result in the loss of a great 9 10 deal of vegetation. So that is one of the reasons for identifying that as a cumulative effect. And 11 we're looking at a time scale of 30 to 50 years into 12 13 the future, based on the potential term for the 14 original licenses that we issue. And geographic scope of the analysis would consider lower Cottonwood 15 16 Creek watershed. 17 Now, I'd like to know if anybody knows of any other kind of -- well, of any actions in the 18 proposed project area that would affect terrestrial 19 20 resources. Anybody building any casinos or subdivisions out there? No? 21 22 We're doing our analysis from 2,000 miles 23 away, so we really do need the help of the people who 24 know the area and have their ears to the ground. Or

25 for that matter, since I've explained what cumulative

1 effects are, are there other resources that you think 2 that this project would add that last little bit, something that was initially innocuous, all of a 3 4 sudden with this project is just intolerable? 5 MR. MCCOLLOM: I've got a question. Rick 6 McCollom. 7 MS. RODMAN: Yes? 8 MR. MCCOLLOM: I was just reading this. That's going to be a 25-foot shaft go all the way in 9 10 and go up. 11 MS. RODMAN: Yes. MR. MCCOLLOM: When we drive that shaft, 12 13 and I've been underground for going on 15 years, what's going to happen to our water supplies from 14 Martinsdale to the three springs that we draw out of 15 16 when you disturb the aquifer that's underneath the 17 Butte? 18 Because I know what happens when you 19 drive through aquifers. I worked at Stillwater Mine 20 for ten years and off, and on other places for 21 others. When you drive through an aquifer with that 22 big of a hole, it's going to disturb those springs on 23 the surface. We've actually had springs that go away 24 down by Stillwater and on the East Boulder that 25 aren't there anymore. What's going to happen to the

town's water supply from those springs? 1 MS. RODMAN: Okay, that's something to 2 3 consider. I would like --4 MR. MCCOLLOM: And the one goes right 5 under that -- if I'm reading that map you got over б there right, the one spring is where that shaft is 7 going to go right under. 8 A VOICE: That's Brock Spring. 9 MR. MCCOLLOM: That's Brock Spring, yeah. 10 MS. RODMAN: Excuse me, Mr. McCollom, what springs? 11 MR. MCCOLLOM: It would be the one that's 12 right above Brock Gould's house. 13 14 MS. RODMAN: Is there a name for it? 15 MR. MCCOLLOM: And then there's two on the east facing side of the Butte that supply 16 17 Martinsdale. MS. RODMAN: Okay. All right. 18 MR. MCCOLLOM: And when you make that big 19 20 of a disturbance underground, a lot of times the 21 springs will dry up on the surface. 22 MS. RODMAN: Thank you. All right. 23 Okay, anything you folks would like to say about 24 that? 25 MR. BORGQUIST: I think it's something

that we're going to have to consider as we get ready 1 2 to prepare this. I don't think anybody is competent, 3 at this point, to say what the effect might be of 4 drilling that hole right now or not. So beyond that 5 I guess I don't have much to say about it. б DR. HILL: So that's something we can 7 add. We'll be going through resource by resource, 8 but that's something that we can add as an analysis 9 that we'd like to have in our environmental 10 documents. So thank you for saying that. 11 Do you want to go on to the other 12 resource issues? 13 MR. TUST: Yeah, sure. 14 We're starting now on page 12 with the 15 individual resource issues. We'll kind of go one by 16 one and give a pause to see if any of you need to or 17 want to comment on any of these specific issues. 18 So we'll start with geologic and soil 19 resources. Sean? 20 MR. O'NEILL: Sure. Sean O'Neill, FERC. 21 So in terms of geology and soils, we've 22 identified possible effects of project construction, 23 higher erosion and sedimentation, you know, disturbed soils which can lead to erosion. That can be an 24 25 impact.

1 Obviously you've also raised the issue 2 here of seismic activities in the area. That's 3 another issue we're going to take a look at. 4 MR. TUST: So for aquatic resources, 5 we've identified the effects of project construction б operation on water quality of the project waters and 7 Cottonwood Creek, the effects of the initial water 8 fill and annual makeup fills of the reservoir, on other surface water uses in the basin, and effects of 9 10 project construction operation on fisheries and aquatic habitat in the project waters in Cottonwood 11 12 Creek. 13 And I imagine, based on your comment, the drilling close to this aquifer, into this aquifer, 14 close to this aquifer, would be one that we would 15 16 need to add to that. So we can definitely do that, 17 or we'll consider that in our --18 MS. MURPHY: You list effects, but you 19 don't say what the effects are. 20 MS. RODMAN: We're not there yet, ma'am. 21 MS. MURPHY: This is their to-do list. 22 MS. RODMAN: We're preparing this analysis with not a great deal of information. 23 Ι believe that GB Energy Park is going out and doing 24 25 studies this summer. So we're going to need to see

that information and any other information we can get
 from you or from State and Federal agencies before we
 do our analysis.

DR. HILL: There are a lot of steps for 4 5 public input that we have built in the process. And 6 our coordinator here will go through all those 7 different steps and opportunities to kind of amend, 8 and when our analysis will be done. But we're really right at the beginning stages, and that's why --9 10 normally they put an applicant for this kind of process that they're using, to develop an 11 application. Normally we're not involved until after 12 the application gets filed, and then we see what 13 14 information we need after they have the whole application together. 15

16 They had asked us to come out early and 17 to help scope some issues, to help draw out what the 18 issues are so that they can look at that in their 19 initial design.

20 So we're very early in the process. 21 We're just trying to figure out what the issues are 22 that you're aware of so that they can be looking at 23 that. And this is preliminarily what we'll look at 24 in our environmental document; there may be more 25 issues as we get down the road, but we wanted to get

that on the paper now. And they asked for it to be 1 2 done early so that they can look at that in the studies that they were needing to do to inform their 3 4 application. But there are a lot of steps before any 5 decision would be made on a project. MS. MURPHY: Well, I'd certainly check б 7 about the town's water supply --8 DR. HILL: Absolutely. 9 MS. MURPHY: -- as one of the highlights. 10 DR. HILL: Thank you. MS. LAND: So my name is Karen Land. 11 This is a little off the subject, but what's the 12 timeline? I mean, I know that you could go through 13 14 all these studies and everything, but if everything 15 kind of is checked along, is this something that 16 happens in one year, two years, or I mean, what's --17 how --18 MR. TUST: Yeah, we're going to get to 19 that. 20 DR. HILL: We have a preliminary 21 schedule. 22 MS. LAND: Okay, sorry. Sorry, I'll 23 wait. 24 MR. TUST: We'll get there, don't worry. 25 Thank you, ma'am.

So anything else with aquatic resources 1 2 that we should consider at this point? Again, with the understanding --3 4 MS. MURPHY: What happens with the 5 fisheries? MR. TUST: Well, if you'd like to comment б 7 specifically about the fisheries? We're proposing to 8 evaluate the effects of the project construction and 9 the project operations on fisheries. 10 MS. MURPHY: Okay. 11 MR. TUST: So any additional information, specific information that you would like to us to 12 consider in that? Yes, ma'am. 13 14 MS. NICHOLES: Again, I'm K.G.H. Nicholes. You're talking about aquatic, so I do have 15 16 some questions here. Are these reservoirs going to 17 be fenced to keep wildlife from drinking out of them? 18 MR. BORGQUIST: Yes. MS. NICHOLES: If wildlife do drink from 19 20 them, is it just plain water, or are you going to put antifreeze in it, or is it going to be adulterated in 21 22 any way? 23 MR. BORGQUIST: Just plain water. 24 MS. NICHOLES: Just plain water. 25 MR. BORGQUIST: And it will be fenced.

1	MS. NICHOLES: And it will be fenced. So
2	this won't be an opportunity for wildlife to get a
3	resource that they need, this is something kind of
4	separate from the
5	MR. BORGQUIST: Yes.
б	MS. NICHOLES: wildlife habitat?
7	MR. BORGQUIST: Yes.
8	MS. NICHOLES: Okay.
9	MR. TUST: Any other comments?
10	Okay, Dianne, do you want to move on to
11	terrestrial resources?
12	MS. RODMAN: This is, at this moment,
13	kind of general. And if anyone would like to help me
14	focus in on these bullets here, I would appreciate
15	it.
16	First of all, the effects of the project
17	construction and operation on vegetation. As I said
18	earlier, just building the project you'll have
19	structures that replace a lot of vegetation that's
20	there now. Then the effect of project construction
21	and operation of the spread of invasive species,
22	because over that three-year construction period
23	you're going to have a lot of construction vehicles,
24	you're going to have a lot of possibility of weed
25	seeds getting into the project area, you're

disturbing soil, so we're going to be looking at the 1 2 possibility of that possible spread. And if the applicant may come in with FERC proposals for how 3 4 they're going to minimize that problem. 5 Then the effect of upland, riparian, and wetlands habitat loss on wildlife. That's including б 7 mule deer, and the federal candidate species 8 Sprague's pipit and greater sage-grouse. 9 And then the effects of the transmission 10 line on raptors, waterfowl, other migratory birds, and other wildlife. And that would include both 11 electrocution and possibly collisions; if it's a 12 foggy morning and the birds don't see the 13 14 transmission line, they could possibly hit it. 15 Do you know of anything else that you can 16 think of in the plant or wildlife area? Yes? 17 MR. TOLIVAISA: Peter Tolivaisa, Cottonwood Cabins LLC, 2262 State Highway 294. On 18 19 top of Gordon Butte there are like a lot of 20 rattlesnakes, and the diversion from Cottonwood Creek 21 to kind of like where the pool would be is a natural 22 barrier. Since it's an open channel, snakes don't 23 cross it. And I've never seen a rattlesnake on my 24 place, and my parents always said that's because of 25 the canal; they don't cross it.

Now, with this project, is that canal 1 2 supposed to be piped now, so there will be no natural barrier for them to cross and get down into my 3 4 property? 5 MR. BORGQUIST: The plan is to pipe the open ditch now. б 7 MR. TOLIVAISA: Okay. 8 MR. BORGQUIST: I'm not aware --9 MR. TOLIVAISA: So the natural barrier 10 will be eliminated. 11 MR. BORGQUIST: I'm not aware, Mr. Tolivaisa, if a canal is a natural barrier for a 12 rattlesnake or not. I don't know anything about 13 14 that. 15 Pam, do you have any information on that? MS. SPINELLI: Well, I don't know any 16 17 evidence if that is a barrier, but --MR. TOLIVAISA: Deterrent. 18 19 MS. SPINELLI: Rattlesnakes can swim. 20 A VOICE: They swim like hell. 21 MS. SPINELLI: I think so. I think it's 22 pretty speculative. MS. RODMAN: Anything else? Okay. 23 24 I'm also doing threatened and endangered 25 species, which for this specific site is very -- as

far as we know, the only species that could be 1 2 affected is the proposed species wolverine; which we 3 were up there this afternoon, and I'm looking around 4 going wolverine? 5 MR. MCCOLLOM: We've seen them right here б at the lake in the last year. 7 MS. RODMAN: Really? 8 MR. MCCOLLOM: You see them all the time 9 in the Crazys. 10 MS. RODMAN: Okay. All right. 11 MR. MCCOLLOM: And what about the swift 12 fox? A VOICE: They're not from around here. 13 14 MR. MCCOLLOM: Oh, yes, they are. There was one caught last year on the Hutterites by a 15 16 trapper and they released them. 17 MS. RODMAN: Okay, I'll check on that, 18 because our agency will have to check all the boxes for endangered species. And if there is a situation 19 20 which this proposed action may affect endangered 21 species, there are specific procedures we have to go 22 through. So swift fox and wolverine have been 23 spotted both in the Crazys? 24 MR. MCCOLLOM: Yeah, we used to have an 25 open trapping season on them here.

MS. RODMAN: Okay. All right, great. 1 2 Thank you. It shows what I know. 3 MR. MCCOLLOM: You can go up into 4 Cottonwood Creek and watch them play in the rock 5 piles in the afternoons when they're out after the mice and the rodents. 6 7 MS. RODMAN: Wow. Spectacular. It looks 8 like I've got a little more on the wolverines than I 9 thought I did. And I will check on the swift fox. 10 All right, is that it for the terrestrial 11 resources? DR. HILL: Are there any other resources, 12 terrestrial or anything, or any other species that 13 14 are important that we need to ask the applicant to 15 evaluate? MS. RODMAN: You all know the critters 16 17 around here far better than anyone from out of town, 18 so... MS. LAND: I have one more question. 19 20 It's kind of backing up a little bit, but when you say the transmission lines, the effects on birds and 21 22 stuff, where is the transmission line at? Or maybe I 23 just need to look. MS. RODMAN: Well, actually --24 25 MR. BORGQUIST: (Indicating.)

1 MS. LAND: Because I was looking at that 2 \_ \_ 3 DR. HILL: We can get a depiction of 4 that. 5 MS. LAND: Is there just one transmission б line? MR. BORGQUIST: Yes, it's coming out and 7 8 then crossing over Cottonwood Road in the back. 9 MS. LAND: Okay, so is that the main one 10 -- which -- which? 11 MR. BORGQUIST: That's the one and only 12 one. MS. LAND: Okay. What was the name of 13 it? Did you have a name for it? 14 15 MR. BORGQUIST: No, there's no name for 16 it. 17 MS. LAND: Okay. MR. BORGQUIST: Oh, that's this one. 18 MS. MURPHY: She wants to know Colstrip. 19 20 MS. LAND: Okay, that was -- yeah, okay. So that's a different line. Okay, I just wanted to 21 22 clarify that. 23 MS. NICHOLES: The Colstrip line. The 24 power is not feeding the local community's grid, it's 25 going in to these high tension -- the big towers.

MR. BORGQUIST: Well, they're all
 connected. Once an electron gets on, you don't know
 where it goes.

MS. NICHOLES: Well, the further away 4 5 from the source that we use it, the more loss there is in between. That's one reason why it's nice to 6 7 see the wind towers, because locally generated power 8 that comes to the little substation across the road, 9 is coming to our communities very efficiently with 10 very little loss. So, you know, just as a general 11 thing.

12 It's interesting that this project has 13 nothing to do with the local power except as it's 14 part of a larger grid.

15 MR. BORGQUIST: Yes.

16 DR. HILL: Also, I'd like to point out 17 that on page 8, we do have a diagram of the project that you could look at now. Of course you've got 18 19 these great pictures, but they're not that close to 20 you at the moment, and there's a dotted line going 21 down from the lower reservoir parallel with the 22 Cottonwood Creek Road --23 MS. NICHOLES: Um hum. DR. HILL: -- and ending at the 24

25 interconnected substation. And although it's not

shown on this figure, what we were told this 1 2 afternoon was that that substation would be more or 3 less underneath the Colstrip line. MS. MURPHY: How much of this project is 4 5 federally subsidized? MS. RODMAN: I don't think any of it is. 6 7 MR. BORGQUIST: None, none at the moment. 8 MR. TUST: I just want to remind people to state their names so that we can keep track. 9 10 I know Denise is doing a great job, but she can't keep track of everyone here. So if you 11 could please keep stating your name before 12 13 commenting, that would be helpful. Thank you. 14 MR. TOLIVAISA: Peter Tolivaisa, Cottonwood Cabins, 2262 State Highway 294. The canal 15 16 is from the diversion of Cottonwood Creek. From the 17 diversion point over is currently open, correct? 18 It's an open channel. With this project, that canal 19 will now be closed and in a pipe. How are the 20 animals supposed to drink water? You just took it 21 away from them and put it in a pipe. 22 MS. RODMAN: That is a good question, and 23 that's one that we all can look at. So yeah, that's --24

25

DR. HILL: That's part of the evaluation

that would be done of what other sources of water 1 2 would be available, what would be remaining, what are 3 the species that would utilize that. So, yes, that's 4 part of an analysis that we would expect to see in an 5 application and evaluation, and something we would б also be putting in our NEPA doc. 7 MR. TOLIVAISA: Thank you, ma'am. 8 MS. RODMAN: That's a very typical 9 question for the source information. 10 MR. TUST: All right. Well, our recreation specialist normally would handle 11 recreational and land use, cultural and aesthetic 12 13 resources, but she could not make it today, Suzanne 14 Novak, so I'll be going through them. If there's questions specific to this that we cannot answer, we 15 16 will certainly do our best, and if we need to, we'll 17 come back and get back in touch with you with an 18 answer from Suzanne. 19 But for recreation and land use, we 20 identify the effects of project construction, 21 operation, and maintenance on recreation resources in 22 the project vicinity. And the effects on land use 23 activities in the project vicinity, including, as we 24 identified, irrigation, agricultural production, 25 grazing and private residential use.

1 Are there any additional land use 2 activities occurring that you can tell us about that could be affected, or any additional specific 3 4 recreational resources you would like us to go to 5 more in-depth? Feel free to let us know. Okay. 6 For cultural resources, we identify the 7 effects of construction and operation of the proposed 8 project on historic, archeological, and traditional 9 resources that may be eligible for inclusion in the 10 National Register of Historic Places. 11 Any -- yes. MS. MURPHY: Have you had that surveyed? 12 MR. TUST: Carl? Part of the applicant's 13 proposed studies are to get to --14 15 MR. BORGQUIST: Are you --16 MS. MURPHY: Have the archeological 17 assets been surveyed? 18 MR. BORGQUIST: We're in the process of 19 doing that right now. 20 MS. MURPHY: Okay, thank you. 21 MR. TUST: Any additional information on 22 that you can provide us at this time? 23 MR. BORGQUIST: No. I mean, we're not 24 finished, so... 25 MR. TUST: Right, I was just putting it

1 open. 2 MR. BORGQUIST: Yeah. MR. TUST: Okay, so we'll move on to 3 aesthetics site resources. We identify the effects 4 5 of the construction and project operation on aesthetics, including views in the project vicinity, б 7 how the landscape is going to be affected; we also 8 identify the effects of noise from project 9 construction, operation and maintenance. 10 Any additional effects that we should consider under aesthetics at this time? Peter? 11 MR. TOLIVAISA: Peter Tolivaisa. Lower 12 13 reservoir on that drawing over there, Gordon Butte Pumped, right there, will that, the right side of the 14 lower reservoir, be visible from the road like it's 15 16 hidden over on that picture? 17 MR. BORGQUIST: Just for all of you, this 18 is a -- we had an expert come in to essentially create this visual of what the lower reservoir will 19 20 look like when you're standing right in front of it. This will be a better visual representation of what 21 22 this is going to look like than that cutaway. So essentially, this fill, this saddle 23 24 right here; this saddle right here (indicating), so 25 the visual is here looking at the lower reservoir.

Did I answer your question? 1 2 MR. TOLIVAISA: Yes, sir. 3 MS. LAND: One more question. Karen Land. And then is the fencing out of view as well? 4 5 I was just curious with the fencing around. I guess I see that the dam is hidden, but I didn't know if б the --7 8 MR. BORGQUIST: I'm going to have to punt 9 that one Rhett. I don't know if they put the fencing 10 in below grade there. 11 MR. HURLESS: Rhett Hurless with Absaroka Energy. 12 The fencing will follow the top, and this 13 location will follow the top of the reservoir. 14 15 MS. LAND: Um hum. 16 MR. HURLESS: And so if you look really close, you can see little gray lines, which are the 17 18 rails along that fencing. 19 MS. LAND: And so that's the scale, so 20 that's... 21 MR. HURLESS: Correct, that's the scale. 22 MS. LAND: Okay, thank you. 23 MR. BORGQUIST: I don't have my glasses 24 on, so I can't see it. 25 MS. LAND: I can't see it either, but...

1 MR. TUST: Any other comments? So we'll 2 move on. Socioeconomics. The effects of the 3 4 project on local economy of Meagher County, Montana. 5 And I know that Carl had gone into what б they project in terms of what the project will bring 7 in terms of jobs, but any effects that you think that 8 we should be addressing in our environmental 9 document, please let us know. 10 MR. TOWNSEND: I can see -- come up with 11 a tax revenue. 12 MR. TUST: Yes, sir, I'm sorry, I couldn't hear. 13 14 MR. TOWNSEND: Tax revenue. 15 MR. TUST: Can you identify yourself, 16 please sir. 17 MR. TOWNSEND: My name is Herb Townsend, I'm county commissioner. 18 MR. TUST: Okay. Tax revenue? 19 20 MR. BORGQUIST: Yeah, I have to look at 21 the study plan, but I would assume -- we've already, 22 sir, I think, talked about those estimates, but I 23 feel certain they're also in our study plan 24 additionally as well. And I don't know if Steve 25 Laufenberg is here. There he is.

MR. LAUFENBERG: I believe they are. 1 2 That's going to be part of the whole compliment of 3 analyses. MR. TOWNSEND: Yeah. 4 5 MR. LAUFENBERG: This is Steve Laufenberg, Cobb Crest LLC. б 7 MR. TUST: Anybody else? 8 Sean, do you just to want finish up with 9 air quality? 10 MR. O'NEILL: Sure. We also identified the possibility of project construction activities 11 and air quality in the area. It's a potential for 12 the use of a lot of large construction equipment 13 14 which could produce some emissions, and whether that 15 could have an effect on the local air quality is 16 something we'd like to hear if you think it's an 17 issue or if it's a non issue? 18 MR. MCCOLLOM: Rick McCollom. How is the 19 shaft going to be driven? 20 MR. BORGQUIST: We're not certain yet, sir, probably a tunnel boring machine. 21 22 MR. MCCOLLOM: You're not going to be 23 able to do the down shaft with a TBM. 24 MR. BORGQUIST: Well, let me --25 MR. LAUFENBERG: Most likely --

1 MR. BORGQUIST: -- let Kevin Schneider 2 from Barnard --3 MR. MCCOLLOM: So where are you going to house all these people that they're going to bring in 4 5 to do a TBM and a raised board? б MR. SCHNEIDER: They'll live anywhere 7 from Townsend to Bozeman to Livingston, Big Timber, 8 Billings if they choose. They can find a place by 9 White Sulfur, Harlowton. 10 MR. MCCOLLOM: That's not just an overnight mining job. When we did the overnight in 11 Stillwater, that was so long, it took us over a year 12 just to drive the horizontal shaft, and way over a 13 year to drive the vertical shaft that's going to be 14 15 in there. 16 MR. SCHNEIDER: Yes, it this should be 17 the same. 18 MR. TUST: Yes, sir? 19 MR. HURWITZ: I'm Ben Hurwitz, County 20 Commissioner here in Meagher County. And all I'm 21 hearing tonight are just the saddest, negative 22 things. 23 Here you have a company that wants to 24 spend a billion dollars in our little county and 25 create 300 jobs while construction is taking place,

25 jobs after construction, and I get the feeling 1 2 it's very negative here, and I'm just shocked 3 actually. I would think that our starved out county 4 that lost its logging industry in the '60s would be 5 grateful to have a thing like this come along. 6 Yes, there's -- you're going to do all 7 those things. You're going to look at the issues and whatnot, but I hope you don't feel like that -- this 8 sounds like an inquisition to me. And I think it's 9 10 fantastic that anybody would even consider doing this. And this is not -- this is a tried and true 11 project done many places around the world. You're 12 not inventing the wheel. And it's pretty great when 13 you have a battery like this that's going to firm all 14 these windmills that are a problem for our power 15 16 industry. This is a great idea. 17 And there are some glitches and, you know, we're going to have to find a place for 300 18 workers to live. Well, that will be a nice problem 19 to have. So anyway, I just --20 21 MR. BORGQUIST: I'm grateful for the 22 comment, sir. Thank you, I appreciate it. 23 MR. HURWITZ: I just want to thank you 24 for even trying to do this. 25 MR. BORGQUIST: I appreciate that very

1 much. 2 MR. TUST: Any additional comments at 3 this time? 4 MR. TOLIVAISA: Concerning the water that 5 you have to fit to the historical tenants. What б priority date will Absaroka Energy be using for its 7 water usage? 8 MR. BORGQUIST: Well, it's going to be a 9 new permit and --10 MR. TOLIVAISA: Really? 11 MR. BORGQUIST: -- that means the priority date would be a new priority date. You 12 13 don't want to give up your old priority date, Mr. 14 Tolivaisa, do you? 15 MR. TOLIVAISA: On a general abstract by 16 the state of Montana, my priority date is August 1st, 17 1884. And --18 MR. BORGQUIST: Yeah, we're not going to 19 have that priority date. 20 MR. TOLIVAISA: -- the flow rate, you 21 know, and I am down creek from this project, so... 22 MR. BORGQUIST: As I've mentioned to you 23 before, we're going to have to fit in to a well 24 trodden system, and our plan is to create and fill 25 the lower reservoir without creating an impact to

anybody. Again, we're just fortunate that we're not 1 2 growing anything, so we can take water when it's 3 convenient in the system for us to take water and 4 others don't need it. And you all know there are 5 some times in the year when there's too much water 6 and the water causes some destruction. So we want to 7 be a good neighbor and take it then, and, again, try 8 to facilitate the operation of what we think is a very clean, very efficient project for the county. 9 10 MR. TOLIVAISA: I have a copy of my water right here. How can I get it in to the record or if 11 anyone would like to look at it right now or after 12 13 the meeting, I have a copy of it. 14 DR. HILL: You can give it to our 15 transcriber, we can put it in the record or you can 16 file it as you wish. 17 MR. TOLIVAISA: Thank you, ma'am. MR. TUST: Okay. If there is no 18 19 additional comments right now, we can move on to page 20 14 section 5.0, Proposed Studies. As I said, under 21 the traditional licensing process, the applicant 22 usually will work with the stakeholders to develop 23 their study plans and carry out their studies before 24 we get involved. But being as we are doing early 25 scoping, we provided here a summary of the current

1 studies being proposed. 2 So we can kind of go through them one by 3 one. You can provide comments as you wish to help 4 the applicant see what other issues may need to be 5 addressed; but here are the current studies that are б being proposed. 7 So we'll start with geology and soils. 8 MR. O'NEILL: Sean O'Neill, FERC. So currently GB Energy Park proposes to conduct an 9 10 analysis on geology and soils to identify potential geologic hazards or soil instability. 11 MR. TUST: Any comments on that? 12 13 For Aquatic Resources, the applicant proposes to characterize benthic macroinvertebrate 14

15 communities and aquatic habitat and source waters and 16 identify the potential project effects on the aquatic 17 resources in the project area. And Cottonwood Creek, 18 I guess, would be included in that, but -- in the 19 study, correct? In the area of Cottonwood Creek? 20 MR. BORGQUIST: No. 21 MR. TUST: No.

22 MR. BORGQUIST: Our studies are behind --23 MR. TUST: Right, I wanted to have you --24 MR. BORGQUIST: Yeah, can I -- I 25 neglected to do something when I was describing the

1 project. As Mr. Tolivaisa alluded to, our plan is to 2 have the landowner install a fish screen behind his 3 diversion to keep fish out of the canal, and we would 4 like to pipe this because that's a more efficient use 5 of the water and we think it will add water to the б system. So we're going to pipe the water, but there 7 will be a fish screen in between that, and that's where our project really starts. 8

We're not going to put another diversion 9 10 into Cottonwood Creek. So we have a work with the 71 Ranch in order to be able to accomplish the lower 11 fill. So the studies, though the landowner and Fish, 12 13 Wildlife & Parks are going to be doing studies on fish counts in Cottonwood Creek. We will be doing 14 studies behind the fish screen as identified in the 15 16 document.

17 MR. TUST: Any comments on that? 18 MS. RODMAN: Terrestrial resources. We 19 have one vegetation study and one wildlife study. 20 The vegetation is to identify the types, 21 abundance, and distribution of wetlands and riparian 22 habitat and other plant communities within the 23 project boundary, including along the proposed 24 transmission line right-of-way; and to quantify the 25 potential project effects on vegetation.

The wildlife they proposed to identify 1 2 use by raptors, waterfowl and other wildlife by season, habitat type; evaluate the species' presence 3 4 and habitat quality for federal candidate species and 5 birds protected under the Bald and Golden Eagle б Protection Act and the Migratory Bird Treaty Act, 7 and, again, to quantify the potential project effects 8 on wildlife resources. 9 I would also add that GB Energy Park has 10 filed a somewhat longer discussion of their proposed studies with the Commission, and that's available on 11 our internet site. So if you would like to know a 12 13 little more than the information that we summarize

14 here, you can go to the internet and find what they 15 told us.

For threatened and endangered species, they don't propose to do any studies at this time. So does anybody have any comments about that? Do you think that these terrestrial resources or threatened and endangered species proposals are academic?

22 (Conferring.)

23 MS. RODMAN: Oh, yeah.

Well, do we need wolverine studies, oractually if they are identifying use by raptors,

waterfowl and other wildlife, if they're going out 1 2 there looking for wildlife in general, they may run across the wolverines. 3 MR. MCCOLLOM: I think your studies on 4 5 the wolverines have already been done by Fish, Wildlife & Parks. 6 7 MS. RODMAN: Okay. All right. 8 MR. MCCOLLOM: At least I'd check into it anyway. That's why they closed our trapping season 9 10 for it. 11 MS. RODMAN: Okay. DR. HILL: That kind of information is 12 really helpful to us. If you have sources of 13 14 information that we might not know of, it's very helpful if you can let us know, and we can contact 15 16 them and have it. Thank you. 17 MS. RODMAN: Right, yeah. They had a 18 biologist this morning, but unfortunately he was a 19 fish biologist, which didn't help me much. 20 MR. MCCOLLOM: I believe the guy's name is TJ. He's out of Great Falls. He's also our wolf 21 22 biologist for this area. 23 MS. RODMAN: Thank you very much, I'll be 24 getting on the computer as soon as I can. 25 That is part of the scoping, is finding

1 out from people what information may be sitting on 2 somebody's file cabinet that we have no idea about. We try to hit the internet fairly heavily, but 3 4 sometimes you miss things. So pointing out things 5 like that is a huge help to us. DR. HILL: And to the applicant, they'll 6 7 be putting together a lot of information that will 8 form the basis of our NEPA document. 9 MR. MCCOLLOM: I have one more question. 10 What's the effect of this going to be on the elk population on Gordon Butte --11 MS. RODMAN: That's something --12 MR. MCCOLLOM: -- and the mule deer that 13 14 we have there? 15 MS. RODMAN: Yeah, that is an issue that 16 -- well, especially mule deer. We had listed that in the terrestrial resources issues. So that is 17 18 something that we're going to be looking at. 19 MR. MCCOLLOM: And the moose that have 20 just showed up in the last few years on this side of 21 the mountains? 22 MS. RODMAN: Has the State been studying 23 that? 24 MR. MCCOLLOM: Actually we have a season 25 for them, finally, on this side.

1 MS. RODMAN: Oh, okay. 2 MR. MCCOLLOM: And it was just given to us two years ago. Now they have declined the tags 3 because of the decline of the moose population in the 4 5 Crazys already. б MS. RODMAN: Really? 7 MR. TOLIVAISA: Cottonwood Cabins, Peter 8 Tolivaisa. I've had several moose on my property in 9 the past couple of years, one bull, two cows and a 10 couple little ones. I do believe that they were harvested by the outfitter for the 71, so maybe he 11 might be able to give you some information. They 12 13 were on my property hanging out in the creek bed, so 14 thank you. 15 MS. RODMAN: You said the outfitter for the 71? 16 17 MR. TOLIVAISA: Yes, ma'am. 18 MS. RODMAN: 71 has an outfitter? I 19 didn't know that. 20 A MCCOLLOM: Yeah, they have two of them. 21 MS. RODMAN: Two, okay. 22 A MCCOLLOM: Or they did have two. I 23 think they're down to just one now. 24 MS. RODMAN: Okay. So I know, Mr. 25 Tolivaisa, you had mentioned the effects on hunting

this morning.

1

2 MR. TOLIVAISA: Yes, ma'am. I would like 3 to say that the building called The Lodge in Martinsdale is where the outfitter for the 71 is 4 5 headquartered, or one of them, I don't know where б they're actually out of. 7 A MCCOLLOM: They're actually out of 8 Winifred, Montana -- Winter, Montana. 9 MS. RODMAN: Thank you. This is very 10 good information. 11 MR. TUST: Any additional comments for the proposed studies for Terrestrial Resources or 12 Threatened and Endangered Species? 13 14 Okay. So for Recreation and Land Use, 15 the applicant proposes to identify recreation and 16 land use resources and needs in the project area and 17 evaluate the effects of the project on those 18 resources. 19 Any comments on that? 20 For Cultural Resources, they proposed to 21 conduct a Class III, which from my understanding from 22 this morning is an on-the-ground survey type cultural 23 resource and inventory of the Area of Potential 24 Effect in the project area and a traditional cultural 25 properties study to locate and document all cultural

resources and traditional cultural properties and 1 2 determine their eligibility for inclusion in the Natural Register of Historic Places. 3 4 Any comments on that? 5 Okay. For Aesthetic Resources. They б propose to quantify and qualify the existing visual 7 quality of the project area and analyze potential 8 visual effects of constructing and operating the 9 project. 10 For Socioeconomics, they proposed to evaluate the effects of the project construction and 11 operation on the local and regional economy and on 12 local social conditions, goods and services. 13 14 And air quality? 15 MR. O'NEILL: And GB Energy Park at this 16 point does not propose any studies on air quality. 17 MR. TUST: Any comments on the air 18 quality or anything we should be aware of? 19 MS. LAND: Karen Land. I guess as to the 20 air quality, I mean, I live like the first house when 21 you come into town, so is the air quality from doing 22 all the digging or from the construction vehicles and 23 everything, I mean, if there's no -- I mean there's 24 just going to be no sort of guidelines for that, or 25 how does that work when construction of this size is

happening? Is that monitored in any way or is it 1 2 just kind of a free-for-all? MR. BORGQUIST: Can I take that, please? 3 4 MS. LAND: Because I've never been around 5 it. So it's just a question. 6 MR. BORGQUIST: Do you have the dust 7 permit; is that correct? 8 MR. SCHNEIDER: Yes. 9 MR. BORGQUIST: Yes, that's through the 10 State. And I'm going to let Kevin Schneider from Barnard, who's, again, been through this. 11 MR. SCHNEIDER: We'll be required to get 12 13 dust permits, air quality permits for the concrete 14 plants. Equipment will be required to meet certain federal standards that are in place now. 15 16 The fact that they're not studying -- it 17 is a separate issue than what we'll have to do and is 18 already in place. 19 MS. LAND: Okay. 20 MR. SCHNEIDER: And we will follow all of 21 those guidelines. 22 MR. BORGQUIST: Yeah, that's actually a 23 good point. These are things we're going to study 24 and provide information on, but he's right, that's 25 all. They have a bunch of guidelines they have to

follow. 1 2 MS. LAND: Okay. MR. TUST: Any additional comments on the 3 4 proposed studies? Yes? 5 MS. NICHOLES: Can you give me any idea of how loud the pumps will be once it's in operation? б 7 MR. BORGQUIST: You're not going to hear these. Even standing in front of the -- if you're in 8 the power station, you'll hear the equipment in the 9 10 power station, but if you walk outside --11 MS. NICHOLES: But from the road you wouldn't? 12 MR. BORGQUIST: If you walk outside the 13 door, you won't hear it. 14 15 MS. NICHOLES: Excellent. 16 DR. HILL: So it seems what you're saying 17 is you would like to see an evaluation of the noise? MS. NICHOLES: It already says you're 18 going to evaluate the noise. I just wondered from my 19 20 own thinking about it, you know, are people in Martinsdale going to be hearing a heartbeat? Do you 21 know what I mean? 22 DR. HILL: Yeah, we have said we would 23 24 like to evaluate noise in our study -- in our NEPA 25 documents, but the applicant has not proposed to do

any studies on that to evaluate it. So it seems like 1 2 you're indicating that you would like to see an evaluation submitted in their application of that. 3 MS. NICHOLES: Well, if somebody has 4 5 experience with a similar setup, maybe they could б say. 7 MS. LAND: I wouldn't know that I'm not 8 going to hear it. 9 MS. NICHOLES: Yeah, it would be nice to 10 have it on record that they don't expect it to be really noisy. That would be nice. 11 MR. TUST: Okay, thank you. Yes? 12 MR. VOLDSETH: Gary Voldseth, land owner. 13 14 I was wondering if any thought has been given to the transmission line and where you tie in 15 16 to the big line in order to handle more power for, say, like the Hutterites build a site over there, or 17 18 is it just going to be a size to handle what you're 19 doing here? 20 MR. TUST: Carl? 21 MR. BORGQUIST: Yeah, that's a good 22 question. It's a little of both. We're obviously 23 not going to want to build more than is necessary 24 just to interconnect the project. On the other hand, 25 having the substation there, it's going to be an

1 asset and it's going to allow -- if there are other 2 projects that make sense, they could be plugged in to 3 that substation, so... 4 MR. VOLDSETH: It's set it up so the 5 substation can be expanded? MR. BORGQUIST: Yeah, they can expand it. 6 7 I mean, we're going to do just what we have to do to 8 get interconnected, but the fact is we have to cut 9 the line there and that's a big expense. 10 MR. VOLDSETH: Okay. 11 MR. BORGQUIST: So once it's done, that's 12 a cost that's already been covered. 13 MR. TUST: Additional comments on the 14 studies? 15 MR. VOLDSETH: Thank you, folks. 16 DR. HILL: Thank you very much. 17 MR. TUST: So on page 16 we have some of the information that we're looking for moving forward 18 19 even beyond the scoping meetings here today. 20 It doesn't end today. So we're 21 continually trying to find out more information as 22 the applicant forms their license application and as 23 we move forward with evaluating the action and 24 forming our environmental assessment. 25 So, again, some of the information that

1 we're still looking for from you as we move forward 2 here, anything that you can provide to us that will 3 help us with the geographic temporal scope of our 4 analysis, both site-specific and the cumulative 5 effects that you've heard today, any additional 6 environmental studies that you come across that we 7 should be made aware of relevant to the project, any 8 existing information to help us characterize past and present actions that have occurred. You obviously 9 10 have a lot more historical knowledge than we could ever imagine on our end, so any of that knowledge 11 would be useful for us to evaluate the project as it 12 stands in terms of our environmental baseline for 13 14 starting with the baseline and evaluating the effects of the project when added to the baseline. 15 16 Any information on any Federal, State or 17 local resource plans or project proposals you hear about that we haven't evaluated that you would like 18

19 us to evaluate and consider, please submit those.

20 Any documentation that would help us, again,

21 contribute to our cumulative, adverse or beneficial 22 effects of the resources we've talked about today. 23 And, again, any resources that you think that should 24 be excluded from our environmental document.

25

I'll kind of go to page 18 just to touch

on some of the areas where you all will be able to
 provide input.

3	So first with this scoping document,
4	we're asking for comments to be submitted by July
5	25th. They can be submitted online or in paper form.
б	The information on how to submit those comments is
7	provided on page 22 oh, wait, that's the mailing
8	list, never mind. It's provided on page 17. So go
9	back a page.

10 On page 17, if you go online, you can 11 submit your comments. All filings must clearly identify the Gordon Butte Pumped Storage project, but 12 again, the project number is P-13642 on our eLibrary 13 14 system or eComments. And you can file them 15 electronically, or at the end of the first paragraph there you have the address to send any written 16 17 comments if you prefer to mail them to us.

18 Now, if we go to page 18 for our EA 19 preparation schedule. Again, we start with the 20 scoping meeting that we had today. We had again 21 asked for comments by July 25th. As we go through the comments, if there are major issues that we need 22 23 to address and include in our scoping document, if we 24 feel the need to, we'll issue a Scoping Doc 2. 25 Basically that's an informational document to show

1 you how we address the comments at this stage. 2 And then once the license application is 3 filed, which we're expecting that to be filed September of 2015, we'll be evaluating that 4 5 application for adequacy. And if everything is up to snuff and we have all the information we need to do б 7 our environmental analysis, we'll issue a Ready for Environmental Analyses Notice, an REA, and you'll be 8 9 able to provide comments at that time. 10 Once we issue our draft EA, we'll also have a comment period then for you to review the 11 draft EA and provide comments on our analysis and see 12 13 how we did. 14 DR. HILL: Preliminary recommendations. 15 MR. TUST: Right, and preliminary recommendations for any conditions and environmental 16 17 measures that are proposed that you think, you know, 18 we'll just provide comments on what's proposed at 19 that time. 20 And once we receive the comments on the 21 draft EA, those will be due about two months after 22 our draft EA is issued, that will also be filed 23 online, on our eLibrary system, in case you're 24 wondering. So we'll issue our Final EA, right now, 25 January 2017.

1	Again, these target dates may change.
2	For instance, when the application is filed, if we
3	have any additional information requests that go out
4	or we have information that we need from the
5	applicant to perform our analysis, it may adjust
б	these dates. But this is how it stands now.
7	And I open the floor for any comments on
8	the schedule or any questions about how to comment or
9	provide input at this time before we open the floor
10	to anybody to provide any oral comments at the
11	meeting here. Okay?
12	All right. Well, at this point
13	(Conferring.)
14	MR. TUST: Oh, okay, yeah, great. Well,
15	I'll just also touch page 19 and 20. We have our
16	proposed EA outline, so you'll see how we proposed to
17	structure our EA at this time.
18	And then on page 21 for comprehensive
19	plans, the Section 10(a)(2) of the Federal Power Act
20	requires FERC to consider the extent to which a
21	project is consistent with any federal or state
22	comprehensive plans, they're filed with the
23	Commission, for improving, developing or conserving
24	the waterways.
25	So we have a master list of comprehensive

plans that have been filed for the State of Montana.
That master list is available on line, and feel free
to go on line. There's a link there for instructions
on how to get to the -- well, that's for filing a
plan, but we do have our master plan online, so feel
free to review that.

7 This is a preliminary list, a subset of 8 the master list for the plans filed for the State of 9 Montana that we identify that could be relevant to 10 this project. And under section 10(a)(2), we have to 11 make sure that the project is consistent with these 12 plans.

13 So any plans that you feel we didn't 14 include that we should be looking at, please let us 15 know. And any plans that you don't find on the list 16 or on the master list that you think should be added, 17 there's a process for having them filed, and that 18 link is there at the top at the end of the first 19 paragraph on page 21.

And, again, before we get to the oral comments, I just want to reiterate, the mailing list starting on page 22, if you'd like to be added, there's information there on how to get yourself added to the mailing list if you feel you want to. And also if you are on the mailing list and you don't

want to be receiving all this and want to have 1 2 yourself taken off the mailing list, that can also be 3 done. So there's information there for you to have 4 that done. 5 So at this time we'll have folks come up б that wanted to give oral comments. Starting with Dan 7 Lloyd of the Governor's Office of Economic 8 Development. 9 MR. LLOYD: Thank you. Dan Lloyd, I'm in 10 the Governor's Office of Economic Development. And my boss, John Rodgers, couldn't be here today, so I'm 11 going to read a letter on his behalf. 12 13 "I'm writing this letter in support of the Gordon Butte Pumped Storage Hydro Project 14 currently in the licensing process undertaken by 15 16 Montana-based Absaroka Energy through its single purpose subsidiary, GB Energy Park LLC. I understand 17 18 that the Commission has agreed to early scoping under the National Environmental Policy Act review for the 19 20 project and I support FERC in this decision. 21 "The Governor's Office of Economic 22 Development and other State of Montana agencies have 23 worked closely with Absaroka Energy to facilitate the 24 responsibile development of this project. It is 25 clear that Absaroka Energy began consulting with the

1 relevant state and federal resource agencies early 2 and has maintained an open dialogue throughout the 3 development process. In the course of these 4 discussions, they have built solid relationships with 5 staff identifying potential issues and concerns, б consulting on study plans and defining the scope of 7 the NEPA review. "Some of the nation's best sources of 8 9 renewable energy are available in Montana, yet the 10 full potential of these resources has yet to be realized. As we continue to expand this important 11 industry, I believe that building a modern, 12

13 fast-acting pumped storage hydro facility will help 14 integrate renewable energy resources into the 15 regional transmission grid, catalyze the development 16 of new generation projects, and preserve and optimize 17 our existing transmission infrastructure.

If approved and developed, the Project would result in hundreds of construction jobs as well as numerous high wage permanent positions and generate sustainable tax revenue. The project would inject economic life into rural Montana and provide further economic development opportunities around the state.

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"The State of Montana is committed to

1 properly permitting, monitoring and reviewing the 2 project to ensure that it complies with all federal 3 and state laws and protects Montana's natural, 4 cultural and economic resources. If my office may 5 assist the Commission in any way please let me know. "Sincerely, John Rodgers." 6 7 Thank you. 8 DR. HILL: Thank you. MR. TUST: Thanks. So we'll go next to 9 10 Brian Spangler of the DEQ renewable program. 11 MR. SPANGLER: I'm Brian Spangler with the Department of Environmental Quality in Helena. I 12 13 manage the renewable energy program at the DEQ at the 14 State Energy office. 15 We are not part of the regulatory part, 16 but I can tell you I believe in strong partnerships, 17 and I work very hard to build those relationships 18 with air programs to water programs and remediation 19 programs. And I also have a business background and 20 build strong partnerships outside the DEQ with 21 companies to move renewables for in the State of 22 Montana. 23 So I'm just up here to reinforce the 24 letter of from the Governor's Economic Development 25 Office that we support this project, and I know that

our director of the DEQ did talk with the Department 1 2 of Natural Resources and the Fish, Wildlife & Parks, and did submit a letter to FERC also. So thanks. 3 4 DR. HILL: Thank you very much. 5 MR. TUST: Eric Love? б MR. LOVE: Hi, my name is Eric Love. I 7 live in Bozeman, and I work for the nature preserve there as the global director of conservation 8 transactions. But today I'm here to represent myself 9 10 and my family. 11 And I've been following this project from its inception and will follow it closely. I strongly 12 13 believe that we, as a society, are at a crossroads 14 and that our economy is based on fossil fuels, and this is simply not sustainable. So as our global 15 16 population increases, so will our energy needs, and 17 projects like this are going to help solve that 18 problem. 19 I think that pumped storage is a very 20 much proven and cost effective technology. It's used elsewhere around the world, and I think it's been 21 22 slow to catch on in the United States; and I think 23 that this is a great example of where it could work.

As I thought about it last night in preparation, I looked up that one gigawatt hour of

1	power per year is enough for a thousand homes. And
2	if this project produced my understanding from the
3	scoping document, an estimated 1,300 gigawatt hours
4	annually, that's enough to power 1.3 million homes.
5	So I'm here personally. I've never
6	testified at a hearing like this before in my life,
7	but as someone who works on behalf of the
8	environment, I just wanted to comment and throw my
9	support for this project. Thank you.
10	MR. TUST: Thank you. Kathy Burg?
11	A VOICE: She left.
12	A VOICE: She's gone.
13	MR. TUST: And I'm assuming Russell left
14	as well, Russell Burg?
15	A VOICE: He left also.
16	MR. TUST: We have some people that
17	mentioned they may want to talk, but we'll certainly
18	give you the opportunity. So Dick Indreland?
19	MR. INDRELAND: I think I already made my
20	comment. I was really interested to find out if all
21	the science that you'd used, especially for the
22	impact statement and the environmental assessment
23	would be open for anyone that would like to read
24	through that, and I think that's the best way to do
25	it.

But I also wondered as far as ownership, 1 2 is this going to be purely an American company or is 3 there a foreign investment involved in this? 4 MR. BORGQUIST: It's an American company. 5 MR. TUST: Yes. MR. BORGQUIST: Yeah, it's an American б 7 company. 8 MR. INDRELAND: 100 percent? 9 MR. BORGQUIST: It's Montana investors. 10 MR. INDRELAND: One of the reasons I ask that question is so many times you find out we either 11 have middle eastern investment, we have English, 12 13 there's nothing wrong with that, but it's nice to 14 know. 15 MR. BORGQUIST: It's American, Montana. 16 MR. INDRELAND: It's 100 percent 17 American? That's a fact. 18 MR. BORGQUIST: Montana. 100 percent, 19 yes. 20 MR. INDRELAND: Thank you. 21 MR. TUST: And K.G.H.? 22 MS. NICHOLES: That's me. I've asked 23 most of my questions. I'd like to speak with you 24 after the meeting for just a minute. 25 MR. BORGQUIST: Sure.

DR. HILL: It would be great if we could 1 2 get anything that you have to say on the record, the 3 public record. 4 MS. NICHOLES: Okay. 5 DR. HILL: Just because we like have it б available to the applicant and others as well, unless 7 you're telling us the site of some archeological 8 resource which, by the way --9 MS. NICHOLES: Well, no, it's not 10 archeological. I've lived in this area now almost 25 years, and when I first moved here there were lots of 11 song birds and there were lots of tiger salamanders. 12 13 People told me that there were tiger salamanders all 14 over. And I love critters, and I put up birdhouses and I've gotten -- I've had salamanders for pets that 15 16 people have given me. 17 And I've noticed as the flood irrigation 18 has given way to pivots, there have been fewer and 19 fewer tiger salamanders around. And now we're losing 20 our songbirds. There's lots of magpies, but the 21 songbirds aren't coming to my feeder anymore. So I'm 22 a little concerned that the ecological balance is 23 already shifting. 24 Also at one point they sprayed herbicide 25 along the old railroad track and they missed and they

got our scrub and killed a bunch of willow and like 1 2 all the frogs. And suddenly you couldn't hear the 3 frogs in the summer anymore. They're starting to 4 come back, but I am concerned about if they cover up 5 that irrigation canal, that that may be one of the -б since it is one of the open irrigation ditches, it 7 may be one of the last area habitats. 8 But I don't know -- you know, I'm not -that's not an area that I walk on, and I don't know 9 10 who could tell you whether they see salamanders there, but that is a concern of mine. 11 A VOICE: Speak up for the salamanders. 12 13 MS. NICHOLES: There we go. 14 MS. RODMAN: All right. 15 DR. HILL: Thank you. We really 16 appreciate you putting that on the record. 17 By the way, I did want to mention, we said that we have things -- I'm going to speak up a 18 19 little more because --20 MS. RODMAN: Mother nature is here. 21 DR. HILL: -- I've got this competition. 22 But most of the information is on the public record, 23 but things like the location of archeological sites, 24 the location of particular -- the exact location of 25 endangered species, those kinds of things, we have a

1 restricted service list that we prepare and only the 2 kind of need-to-know people get access to that. So 3 certain kinds of information we do keep out of the 4 public record and we just have it on a need-to-know 5 basis, but almost everything is enclosed. 6 MR. TUST: Jason Phillips? Mark 7 Haneynoose(ph)? 8 MR. HANEYNOOSE: Not at this time. 9 MR. TUST: Eric Love? 10 DR. HILL: We did Eric's. MR. TUST: Oh, we did Eric. 11 DR. HILL: He spoke. And I think that 12 13 was it. Was there anybody else who signed in that I 14 missed? Yes? 15 MR. TOLIVAISA: May I address the panel? 16 This is a copy of my water right. Peter Tolivaisa, 17 Cottonwood Cabins LLC. 18 How does the priority date on my water 19 rights impair with the guidelines? 20 MR. BORGQUIST: I have no idea. 21 MR. TOLIVAISA: There is a large pond of 22 water right here. Well, may I use this? Please 23 excuse me. Right here is my property, I believe; is 24 that correct? And --25 MR. BORGQUIST: I think you would know

1 more than I would.

2 MR. TOLIVAISA: So my property here is 3 kind of off this. And this diversion line concerns 4 me greatly. What I was thinking, what about doing 5 some sort of pond right here so the water is able to б flow completely through Cottonwood Creek down the 7 Musselshell, and this lower reservoir would be fed 8 off of Musselshell. And also since the Musselshell goes all the way to Martinsdale Reservoir, wouldn't 9 10 that be an alternate to put water in to this, because what is the linear foot that's going to be piped as a 11 diversion or elimination of Cottonwood Creek and how 12 13 much is going to be piped?

14 MR. BORGQUIST: Yeah. We're lucky, again my opinion, you might have a disagreement with me 15 16 about that, but we're lucky and fortunate in the fact 17 that the project particulars that create the most 18 feasible project also create the project with the 19 least amount of impact. So this arrangement not only 20 is the most feasible from a construction, aesthetic, 21 and cost perspective, but it's also the arrangement 22 that creates the least amount of an impact in its totality. That's why we have -- this is the most 23 efficient design and efficient arrangement. That's 24 25 why we've selected it and proposed this as the

1 original.

2	MR. TOLIVAISA: I just think it would be
3	more beneficial to the environment not to close the
4	canal from Cottonwood Creek to the lower reservoir,
5	because there are games that are there. And
6	considering that Cottonwood Creek runs down here, and
7	also 3,000 feet, I don't know how long this pipe
8	diversion is going to be, but that's a lot shorter
9	than I do believe this diversion point. So that is
10	my suggestion. Thank you very much.
11	MR. BORGQUIST: Thank you.
12	MR. TUST: Any other folks have comments
13	they want to bring forward at this point? I just
14	want to note before we close that a copy of the
15	transcript of this meeting will be available on our
16	website in about two weeks. If you prefer to have
17	the transcript earlier than that, you can speak with
18	Denise following the meeting and she can arrange that
19	with you, provided that you know that it would be a
20	per page charge for that early delivery of that
21	transcript. But again, it's going to be available on
22	our eLibrary system in about two weeks.
23	Yes.
24	MR. TOLIVAISA: Peter Tolivaisa. How
25	long will it be before the transcript is on Absaroka

Energy's website; do you happen to know? 1 2 MR. BORGQUIST: Sometime after FERC makes 3 it available. I can't give you a precise date. MR. TOLIVAISA: So a month? 4 5 MR. BORGQUIST: We have to get it and б update our website, so I think in terms of getting 7 the transcript as fast as possible, probably the FERC 8 website is the one I'd go to first. 9 MR. TUST: And if you need more 10 information on getting to that website, we can provide that. It's FERC.gov, documents and filings, 11 eLibrary and put in the project code P-13642. And 12 13 again, if you eSubscribe, once we file the 14 transcript, you'll be notified if you prefer to have that right away. 15 16 MR. TOLIVAISA: Thank you, sir. 17 MR. TUST: Yes. 18 MR. MCCOLLOM: I have one last question. Has the Department of State Lands chimed 19 20 in on this, being as you guys are going to border 21 right up against the Department of State Land on the 22 north side of that lower reservoir? 23 MR. BORGQUIST: No. 24 MR. MCCOLLOM: Didn't even know that 25 state land would border on the north side of that

reservoir? MR. BORGQUIST: We know where the state land is. It's not going to be on any state land. MR. TUST: Anybody else? All right. Well, thank you all for attending the б meeting. We really appreciate the input, and feel free to comment moving forward here as we go. So I'll close the meeting. Thank you very much. (The meeting was adjourned at 8:00 p.m.) 

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UNITED STATES OF AMERICA
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 2
              FEDERAL ENERGY REGULATORY COMMISSION
                         SCOPING MEETING
 3
           GORDON BUTTE PUMPED STORAGE HYDRO PROJECT
 4
 5
           GB ENERGY PARK LLC PROJECT NO. 13642-001
 6
                             Martinsdale Community Center
 7
                             110 Main Street
                             Martinsdale, Montana 59053
 8
                             Wednesday, June 25, 2014
9
                             6:00 p.m. (MDT)
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11
    PRESENT FOR THE FEDERAL ENERGY REGULATORY COMMISSION:
12
13
    Jennifer Hill - Chief, Northwest Branch Division,
                      Hydropower Licensing
14
    Michael Tust - Fish Biologist/License Coordination
15
    Dianne Rodman - Terrestrial Biologist
16
    Sean O'Neill - Project Engineer
17
    Cleo Deschamps - Attorney-Advisor
18
19
    PRESENT FOR ABSAROKA ENERGY LLC:
20
21
    Carl E. Borgquist - President & CEO
22
    Rhett Hurless
                       - Senior Vice President,
                         Techinical/Engineering Development
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1 **PROCEEDINGS:** 2 MR. TUST: Welcome, everybody. Thanks 3 for coming out. 4 This is the public scoping meeting for 5 the proposed pumped storage project, obviously б located right up there up on Gordon Butte. 7 So we're here today to do scoping for an 8 environmental assessment for the project. As FERC, 9 Federal Energy Regulatory Commission, we're required 10 to evaluate the proposal and produce an environmental document to look at the effects of licensing the 11 project, and evaluate alternatives and receive input 12 from you all, the public, and get your opinions and 13 14 comments on what the issues are that we should be 15 addressing in our document. 16 So I haven't introduced myself yet, I'm 17 Mike Tust, I'm a fish biologist with the Federal 18 Energy Regulatory Commission, or FERC. And in 19 addition to addressing the aquatics and fish issues 20 for the project, I'll be coordinating the licensing. 21 And with me I have the other team members on the 22 licensing staff. When you first walked in is Dianne 23 Rodman, she's the terrestrial biologist, she'll be handling all the terrestrial resource issues as well 24 25 as the vegetation issues and certainly the threatened

1 and endangered species issues for the project.

2 To my left, we have Jen Hill, who is the 3 chief of the Northwest Branch Division of Hydropower 4 Licensing, Sean O'Neill, who is the engineer for the 5 project. He'll be handling geologic and soil б resource issues, air quality issues, and reviewing 7 the plans and exhibits to the project. And then to 8 the far left, we have our attorney, Cleo Deschamps. 9 And then over here -- to the other left I guess I 10 would say, it's kind of late, we've been up all day 11 just going around the sites of this -- we have Denise Nowak who is our court reporter. She'll be recording 12 the conversations and discussions today. It will be 13 officially part of the record. 14

15 So during this, we're eager to hear from 16 you and eager to get your opinions and comments on 17 the project of what you think we should be evaluating in our environmental document. So there are plenty 18 19 of ways for you to contribute. One is obviously to 20 contribute to the discussion tonight. If you don't 21 wish to speak up in person, you can submit written 22 comments. There's a registration form that we ask 23 you to fill out.

24 If you haven't signed in, I believe you
25 all have, but we would appreciate that you sign in

there and get a copy of the scoping doc so you can
 follow along with us tonight.

3 Another way to provide your comments is 4 on line, we have an eLibrary, an eComment tool; it's 5 on FERC.gov under documents and filings. There's an б eComment tab where you can submit your comments 7 online. ELibrary is our repository for all the 8 documents that get filed with the project. The 9 project number for that is P-13642. So if you go on 10 eLibrary, you can go and check and see all the documents that have already been filed for the 11 project so far, and any future filings will also be 12 13 on there.

14 In terms of online, you can also 15 eSubscribe to the project, that's also on that tab under FERC.gov, documents and filings; it's called 16 17 eSubscribe. If you want to be alerted to any filings that come in rather than having to go on eLibrary to 18 check, you can receive an e-mail notification that a 19 20 new filing has come in. So it's another way for you 21 to keep up with the project.

And finally, in the back of the scoping doc we have for you, there's a mailing list. This is the official mailing list for the project, starting on page 22. If you don't see your name here and you

wish to be on the official mailing list so you're given all the documents that come in, feel free to follow the procedure in the paragraphs there under 10.0 on page 22 to be able to add yourself to the mailing list. If you need help, there's a call number there, and they should be able to help you as well.

8 So like I said, we're here today to hear 9 from you about the environmental issues that we 10 should be evaluating in our environmental document. 11 For those of you who don't know who FERC is or what we do, we're an independent regulatory agency, we 12 regulate the interstate transmission of electricity, 13 14 natural gas and oil, but we also review proposals to 15 build natural gas pipeline, liquified natural gas 16 terminals, and licensing hydropower projects, like 17 the Gordon Butte Pumped Storage project here in 18 Meagher County.

Within FERC, the hydro licensing is done out of the Office of Energy Projects. We're all based in Washington D.C. where the Office of Energy Projects' headquarters is. And within that, there are six regional branches, and all of us here on the licensing team are on the Northwest Branch. The applicant has the option to submit an

application under three different licensing processes that we oversee. They've chosen the traditional licensing process. And the major difference between the traditional licensing process and what our default one is, that most projects come in under the default process would be, is really where our involvement is in the project in the process.

So for our default, which is called the 8 9 integrated, we would be involved a lot in the 10 pre-filing stage, meaning before they actually submit a license application for us. So the applicant would 11 consult the agencies and the public and have their 12 public meeting, issue their preliminary application 13 14 documentation, which they did on April 29th, 2013, 15 they had an environmental site visit and a public meeting in August of 2013, and they're receiving 16 17 comments back from the agencies and other 18 stakeholders in the formulation of their study plans, 19 and the issues that they need to find out more 20 information through their studies. 21 Now, normally we wouldn't be involved at

this stage, but the applicant has asked us to do early scoping, so that's why we're here today. We agreed to do early scoping to try to flush out the issues a little more and to better iron out the б

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1 issues that we need to address.

2 So with that, I'll turn it to Carl and 3 his team to give a brief presentation on the project 4 for you and where it stands today.

So Carl?

б MR. BORGQUIST: Thank you. Thank you, 7 all for being here. Some of you I know, I'd like to meet those of you that I don't. My name is Carl 8 9 Borgquist, I'm from Bozeman, Montana. My company, 10 Absaroka Energy, is the developer of this project. 11 We have a single purpose entity called GB Energy Park LLC that is the single purpose entity to prosecute 12 the development of the project, so if you hear that 13 14 name, GB Energy Park, that's really this particular 15 development.

16 I've got some folks here that work with 17 me, and I want to introduce them to you so you can 18 ask questions of me or them as you wish. My XO is 19 Rhett Hurless, project manager; a graduate of MSU in 20 engineering, and kind of the head of our project 21 development team. Eli Bailey is back in the back 22 corner, he's our assistant project manager. And Paul 23 Baucus, some of you know, does business development for Absaroka Energy. We're all based in Bozeman 24 25 working on the project.

1 In addition, we have here a number of 2 experts that have been helping us. We're not 3 biologists and cultural experts, so we've engaged 4 some experts to help us gather the information and do 5 the study work, and I want to introduce them to you. б First, the gentleman sitting to my left, 7 Marty Weber, is from Stanley Consultants. Stanley is an engineering firm out of the midwest. Stanley is 8 9 our owner's engineer, and if you have any engineering 10 questions, he is the gentleman to ask. Steve Padula is with McMillan. McMillan, and Steve in particular, 11 is assisting us with the FERC licensing process. 12 It's the federal government, and it's quite 13 14 complicated sometimes to navigate, so he helps us 15 navigate those waters. Pam Spinelli, raises your hand a little higher. There she is. She is a 16 17 wildlife biologist with Garcia & Associates, and is 18 helping us conduct the wildlife studies and surveys. 19 Leanne Roulson is with Hydro Solutions. Hydro 20 Solutions is helping us with our fishery issues and 21 water issues. Steve Laufenberg is with Cobb Crest, 22 and Kevin Schneider, up here in front, is with 23 Barnard Construction. Barnard is a very large EPC contractor that has a lot of experience in dam 24 25 construction and hydro facilities. And it is our

intention for them eventually to be the EPC
 contractor and build this project; another Montana
 company.

I want to take a minute to describe to you what the heck it is that we're trying to do here. We've got some images that we've blown up here that I hope you come up after the presentation to take a look at. Hopefully a picture is worth a thousand words, and I'm going to call attention to them right now.

Over here on my right we've got this 11 Google Earth view where we have mocked up the upper 12 and lower reservoir. Obviously you're all from 13 14 around here, you know those reservoirs don't exist 15 right now, but this is a representation of the two 16 reservoirs. These are about 4,000-acre feet, about 17 80 acres, various depths, and they're connected by an 18 underground penstock of about 18 feet in diameter. 19 I'm calling your attention now to a cutaway up on the 20 other side of the room where you can see a 21 representation of the upper reservoir, connected by 22 that penstock, to the lower reservoir. 23 The power station for this facility will be in the ground. A little bit of the top roof may 24

25 be above ground, but most of this, going down about

1 160 feet, will be in the ground. And in the ground 2 will be a stack not unlike the cutaway you see across 3 the room there, with a turbine on the top, a motor 4 generator and a pump, all on a single shaft. Again, 5 all buried in the ground. Four of these units will б be in there at 100 megawatts in a short circuit 7 arrangement, and I'll explain what short circuit 8 means in a moment.

9 The connection to the grid, obviously 10 this power station needs to be connected to the grid, 11 will come out to Cottonwood Road, and then out to the 12 Colstrip 500 KB line south of the project. This will 13 all be on 71 Ranch property, the entire route out to 14 the Colstrip line.

15 You all probably know this: The Colstrip 16 line is owned and controlled by five very large 17 utilities that do business in the northwest. So when we interconnect them with the Colstrip line, there's 18 19 the opportunity, and I think eventually this will be 20 the business case and the reality for the station, is 21 that this will be a grid tool used by utilities to 22 keep their systems reliable. I'll explain what that 23 means in a little more detail in just a minute. 24 Again, a closed loop system. So these

25 things don't exist, these reservoirs, they'll be dug

in and constructed with earthen berm and roller compacted concrete and then aligned. We will fill the lower reservoir, and then be moving water back and forth every moment of the day as the grid or the user of the facility needs to either take electrons off the system, and pump, store energy, or release electrons and generate energy.

8 This kind of equipment that you see in 9 the cutaway is in wide use in other parts of the 10 world. We've built pumped storage in the United 11 States, but we don't have this modern equipment in those pumped storage facilities. And as we put more 12 renewables, and just for generation on the grid, 13 14 there have been more demands to keep the grid healthy 15 and have something to act as a shock absorber and/or a battery. And this is kind of the business case for 16 17 the facility.

18 So I'll give you a real world example 19 from Montana, just to illustrate what I'm talking 20 about. We all know that our utility, Northwestern 21 Energy, is considering buying dams from PP&L. These 22 dams are run of the river. So what that means is at 23 night they keep running; they keep producing electricity because they need to feed water to the 24 25 fish below the dam.

1 So what do we do with the energy at 2 night? Well, obviously we're not turning the lights 3 on and using that energy, so we need someplace for it 4 to go. A facility like this could pump during the 5 night, and then allow that energy to come back out 6 during the day when the demand is there and prices 7 are higher.

8 The system also, because of its ability 9 to pump and generate at the same time, can act as a 10 shock absorber. Again, I think you all probably know this, because we're in wind country, these wind 11 generators, though they spin all the time, they're 12 not necessarily producing energy, and the energy they 13 14 do produce ramps up and down in terms of how it 15 affects the grid very quickly. And it's very difficult for the utilities to control their system 16 17 when they're constantly having to try to figure out 18 how to replace that energy that's coming on or off 19 the grid, what do they do with it and how they manage 20 it. So a facility like this can act as a shock 21 absorber and quickly take electrons, pump water up, 22 or release electrons and create the energy to keep 23 the system balanced.

We also know that our system, our transmission, all of this is an issue. We want to

1 try to get the most out of it that we can. A tool 2 like this would allow us essentially to store energy 3 for short periods of time, keep the transmission 4 system fully utilized. That's a benefit for rate 5 payers and for -- well, it's a benefit for the б utilities that we hope will translate to a benefit 7 for rate payers from the utilities using the system. The project, give or take, is about a 8 9 billion dollar project all in, though if you look --10 this is a mock-up of what you would see from Highway 294 -- directly in front of the project right in this 11 area, it will be difficult when you drive by to even 12 understand that all of this equipment is back there. 13 You won't see it. You won't know it's back there 14 15 unless you know it's back there. But it's a huge amount of tax revenue and 16 17 jobs, about 300 to 350 construction jobs, and once

18 the facility is built, it takes about three years to 19 build it, another six months to get it into 20 operation; after that, about 20 to 24 jobs are 21 expected, and the Montana Department of Commerce 22 estimates those jobs will average \$87,500 in terms of 23 a competitive wage. So there's economic opportunity, I think, that will obviously come from the facility 24 25 being installed and in operation.

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1 MR. MCCOLLOM: Are they going to give local residents a first come/first serve on those 2 3 jobs? 4 MR. BORGQUIST: I can't say, because I'll 5 probably be gone at that point, honestly. But my б intention is that this be a Montana project and we 7 use Montana workers first. We're a Montana company. And of course from the operator's perspective, if the 8 9 workforce is there with the appropriate skills, then 10 that's a win for everybody. MR. TUST: Just to chime in here. So for 11 anybody that wants to comment, just to get it on the 12 record, if you could just please identify your name, 13 14 and for the first time maybe spell it so she can get 15 it on the record. MR. MCCOLLOM: I'm Rick McCullough. 16 17 MR. TUST: Thank you. 18 MR. BORGQUIST: Okay, great, thank you. 19 Michael has already gone through kind of the process 20 that we've been through getting to this point, so

22 MR. TUST: I just want to mention at this 23 point that the applicants are operating under an 24 existing preliminary permit. So this does not 25 authorize construction at this time, but it does

with that, I'll turn it back to you.

maintain priority of the application for the site
while they study the site and prepare to file their
license application with us. So we're at a stage
where we need to hear from you to find out what kinds
of issues we need to start evaluating and that we
would need to evaluate to determine the licensing
decision for this project.

8 So I kind of went over some of the 9 purposes of the scoping, but just to reiterate, we're 10 inviting you here to identify the environmental socioeconomic issues associated with this project; 11 determine their significance. We've identified 12 13 certain issues that we think are important at this 14 point, but we are eager to hear from you to see what 15 you think. And, again, feel free to offer at any 16 time as we go through this.

17 In addition to that, we want you to help us try to identify how we can better perform a 18 19 cumulative effects analysis for the project and the project area in the vicinity, identify any reasonable 20 alternatives you may have to the project, or any 21 22 alternatives to any of the environmental measures that they're currently proposing. And if there's 23 issues that we raise that you don't think are 24 25 important and we shouldn't address, then feel free to

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25

1 tell us that as well.

So with that, I'll kind of transfer to 2 3 the scoping doc itself. If you go to page 6, if 4 you're following along, under the National 5 Environmental Policy Act, which is NEPA, it requires б us, FERC, to at a minimum, evaluate the applicant's 7 proposed action, as Carl described, a no action alternative, meaning at this point license denial, or 8 9 other alternatives to the project that are 10 appropriate that we should be evaluating in our 11 environmental assessment. So if any of you have input on certain 12 reasonable alternatives that we should be addressing, 13 14 feel free to tell us now, or feel free to comment 15 later during the different ways I told you how to comment, either online or through the mail. 16 17 So on page 9 we have -- I won't go 18 through the description of the project and project operations, I believe Carl did that for us there, so 19 20 we'll kind of move to page 9, proposed environmental 21 measures for the project. Now this is obviously not 22 an exhaustive list here. We're at the early stages 23 of the applicant's proposal. We don't have a

licensed application yet, so we don't have a ton of the environmental measures that are eventually going

to be proposed, but we do have a few here that we have identified from their preliminary application document. I won't go through them in-depth, because again, these are very early stages in the process and I think it's more important for us to look at the issues themselves.

7 Yes, sir.

8 MR. INDRELAND: I'm Dick Indreland, I'm 9 just local here. But as soon as you get into the 10 environmental measures, the one thing that I was 11 wondering is if all the science that you use in making the evaluations will be available or up front 12 13 so that people can look at that and see the basis 14 that you've used to make a determination one way or 15 the other.

MR. TUST: Sure. Yeah, so the applicant 16 17 has proposed certain studies to be done. They have 18 study plans already filed with the Commission that 19 you can review. Once those studies are complete, 20 those results will be filed on our system so they 21 will be publically accessible. And as we write our 22 environmental assessment, any of the analysis that we 23 do will be based on their studies, based on the literature, based on the public material that we will 24 25 reference in our documents. So you'll see exactly

1 where we base our decision. We'll have a list of 2 references at the end so you can see exactly where we 3 base our decisions for any of the issues that we 4 discuss. 5 Anybody else at this point? б MS. MURPHY: Deb Murphy, Bair Ranch. I 7 am concerned about recent geologic episodes at Yellowstone that you can feel here recently, and how 8 9 secure is that dam going to be in case of a 10 catastrophe? And what are you going to do if it fails? 11 MR. TUST: Well, we'll certainly -- if 12 that's an issue that we need to look at, we'll 13 14 certainly include that here and we'll start 15 evaluating it. So thank you for the comment. But if Carl has any additional 16 17 information to address there. 18 MR. BORGQUIST: Yeah. Ma'am, I'm going 19 to let the engineer chime in, because this is much more of his lexicon. These roller compacted dams, 20 21 roller compacted on top and then earthen berm at the 22 bottom. This is a unique scenario for us with this 23 facility because we can either pump water to the 24 upper reservoir or release it, in particular very 25 quickly, we can release it down from the upper down

1 to the lower. And again, we don't have both filled. 2 We fill one, and then the water moves back and forth. 3 So that does a couple of things. It gives us the 4 opportunity, if there's a problem, to move the water 5 out of the way quickly. It also gives us the б opportunity to inspect and repair and have a good 7 maintenance program that's very convenient and easy, 8 where we're not impacting the water supply or a 9 fishery or anything like that. If we want to empty 10 one of the reservoirs and take a look any time, we 11 can do that.

12 Marty will talk about the kind of review 13 process we have to go through at FERC in terms of 14 having our engineering reviewed, and that will also 15 include reports and studies we have to prepare and make available about these kinds of issues and what 16 17 effect there would be if there was such an event. 18 Another fortunate part of this, again, on 19 the upper reservoir, we can evacuate the water to the

20 lower very quickly. The lower reservoir really 21 evacuates, if there's a problem, into the Musselshell 22 River. And we again have the ability to move the 23 water back and forth, which is a --

24 MS. MURPHY: The Musselshell River is 25 quite a concern.

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2 talk a little bit about the kind of safety measures 3 and review process we have to have as part of this 4 process, and just to talk a little bit about these 5 kind of dams and their safety record. б MR. WEBER: Okay, yeah. First of all, 7 the design of the dams themselves will be designed by a qualified firm that will be part of the 8 9 contractors' team. Those designs will be reviewed by 10 my company, they'll be reviewed by FERC, and they're going to be reviewed by an independent board of 11 consultants. The board of consultants are all 40 12 years' experience engineers that have seen a lot of 13 14 this before. So the design will be reviewed quite a 15 bit. The design standards that will be used 16

MR. BORGQUIST: I'm going to ask Marty to

17 for the design, in the first place, are well 18 established standards that have been used before, and 19 they do take in to account any forces that are due to 20 seismic activity, okay. And we'll figure out what 21 the potential seismic event is for this area and it 22 will be designed for it.

Once it's constructed, or actually during construction, there're quite a few levels of quality concerns that goes in the construction process itself

to make sure that the concrete is right, the soil is
 compacted and everything is built the way it was
 designed on paper. So there's a lot of quality
 assurance and quality control that goes into the
 construction process.

6 After it's built, there will be a series 7 of different source of monitoring equipment that's on 8 these embankments to determine ahead of time if 9 there's a problem. There will be what's called 10 inclinometers that tell if an embankment is starting 11 to shift a little bit. The owner of the facility 12 will know immediately and they can take action.

There will be ways to measure the water that's seeping. We'll try to prevent seepage from these embankments; but you can't stop it, you can only control it, and there are ways to measure that. And if seepage is getting to be more than what's anticipated, then we drain the reservoir and take a look at it.

20 MS. MURPHY: Well, this is a liability 21 issue for people down from the reservoir. If 22 something happened, what's the liability issue? 23 MR. BORGQUIST: I think the liability is 24 on the owner of the facility, right? So we will be 25 testing, monitoring and building this, because we

1 don't want any dam failures because we'll be responsible for it if it does fail. 2 3 I think the other thing I wanted to have 4 Marty speak to is this kind of construction had a 5 very good track record; and if you would speak to б that. 7 MR. WEBER: Yeah. The roller compacted concrete embankments are state of the industry for 8 9 tall embankments of this sort, and as well are earthen embankments or rock-filled embankments. 10 Again, they're a proven way of retaining water. 11 12 MS. MURPHY: Does this mean that the soil, and that a lot of that is fairly unstable? 13 14 MR. WEBER: Well --MS. MURPHY: Or is it fairly stable? 15 Tell me what you're building on, is it fairly stable 16 17 or unstable? 18 MR. WEBER: The foundation material? 19 MS. MURPHY: Yes, sir. MR. WEBER: Up on the top it's an 20 21 extremely competent rock called shonkinite. Down 22 below it's the Judith formation, which is not as hard 23 as the rock on top, but it's still a very, very hard 24 rock. So we're not building on soil, we're building 25 on rocks.

1 MS. MURPHY: Okay, thank you. 2 MR. WEBER: Yeah, you're welcome. 3 DR. HILL: I just want to add to that 4 that we have word from the environmental staff here 5 for the most part and one attorney, but we also have б a whole group that is just a dam safety group. And 7 they would be involved with reviewing the application. They would be involved with asking 8 9 questions that we need. And they would be involved 10 with working with the board of consultants that would be looking at the project. 11

12 We also have, once projects are in, at very various times, depending upon how high hazard 13 14 the dam is, in other words what potential there is 15 for destruction or loss of life or something like 16 that downstream; they would investigate, they would 17 do inspections on frequency and in proportion to how 18 much damage there possibly could be if something 19 terrible happened.

There's also emergency action plans that are required, they have to do testing for that. So we have a whole program, that's quite a renowned program actually, for dam safety. And after they get the application, they would have to file things and then go through a whole process with them in addition

1 before they would have the construction done. 2 MS. MURPHY: Would this be water in 3 Cottonwood Creek? 4 DR. HILL: I didn't hear. 5 MS. MURPHY: At any point in time, would б this be water in Cottonwood Creek? 7 MR. BORGQUIST: No. I mean Cottonwood 8 Creek does dewater, you know that, it does in August 9 when there's calls for water and not enough water in 10 Cottonwood Creek. But our proposal is to try to take water during the high runoff periods. We don't need 11 to grow anything, and we need about 35 to 40 days 12 over a three-year period to fill the lower reservoir. 13 14 We haven't formalized this, but our 15 approach is to take runoff water at convenient times for the rest of the users in the system, and 16 17 specifically not create impacts to the other users, 18 as we will be the junior water right, which is 19 another protection. But the intent is to be a good neighbor and take it when there's too much water in 20 21 the system and nobody really needs it. 22 MR. TUST: All right, yes? 23 MS. NICHOLES: Hi, I'm K.G.H. Nicholes, and I live up the valley a little way here. I have 24 25 two questions. I know there are significant

archeological sites in Castle Mountains, there are
 pictographs and things like that. Has anybody
 checked the proposed sites for significant
 archeological sites that might need to be addressed
 before work progresses?

б The other thing is, you guys obviously 7 know your stuff, you're well intentioned, and I love 8 the idea of improving our electrical infrastructure, 9 but I also know that sometimes when there's shortages 10 of budgets or facilities pass from one company to 11 another, and maybe the new people aren't quite as careful about oh, that inclinometer has given us 12 trouble, oh, well, we'll check into it later. If 13 14 worse came to worse and the upper reservoir failed 15 and it was full, is there any possibility of a lot of 16 water coming down into Martinsdale and hurting 17 people? And, so, you know, I know you're doing a lot 18 of things to make sure that that doesn't happen, but 19 just with the lay of the land, is it a physical 20 possibility? 21 MR. BORGQUIST: Can I answer that? 22 DR. HILL: Go ahead. MR. BORGQUIST: First to the cultural, 23 you'll see that that is a requirement, and we have 24 25 that as part of the scope.

1 MS. NICHOLES: Wonderful. 2 MR. BORGQUIST: So they're going to 3 review that section and at least give you the 4 highlights. And you are free to go to the website 5 and see the studies we've proposed; they're б extensive. 7 MS. NICHOLES: Great. Great. MR. BORGQUIST: Okay, that's the first 8 9 The second thing is part of the dam safety thing. 10 thing that we have to do. We'll have to make a report; we'll have to hire somebody to say if there 11 was -- forget about the ability to evacuate it down, 12 13 which we'll have the advantage of having that that 14 other dams don't have, but we'll have to make a 15 report that would say and identify what would happen if there was a failure up there. 16 And essentially, if you look at the 17 18 topography, and I'm saying this generally, that 19 report has not been produced yet, but if you look at 20 it generally, the water flows south and back, and 21 there is a tremendous amount of territory back on the 22 Butte to disburse, even if the entire storage system 23 had all of its water, which is unlikely, at any given moment, even if it had all of its water out there. 24

25 MS. NICHOLES: Thank you.

25

1 MR. BORGQUIST: But that information is 2 going to be made publically available. 3 MS. NICHOLES: I'm going to subscribe to 4 your website. 5 MR. TUST: I was going to suggest that. б I just want to add to the notion of transferring. I 7 guess what you're saying is if a company comes in and if there's a transfer of a license. They would still 8 9 have abide by the conditions of the original license, 10 so... MS. NICHOLES: Well, we know that people 11 are supposed to, but there's been pipelines built, 12 there's been bridges that have fallen, you know, I 13 14 mean, facilities get old and sometimes owners don't 15 take the care of them the way that they should. 16 DR. HILL: It would still be under our 17 inspection program; we would still have oversight. 18 We have ongoing oversight. MS. NICHOLES: But your budget may be 19 20 cut. Look what they're doing to the chicken 21 inspectors these days, you know, they're saying oh, 22 we don't have the money to inspect the chickens the 23 way they're supposed to be inspected, we're going to let the lines go faster, we're going to let the 24

companies inspect them themselves, and the political

1 landscape can change. 2 So when we're planning, we have to plan 3 not just if we, the careful people, are taking care 4 it, but also to try to have a little bit of a fudge 5 factor in there and think about what could happen if б it was mismanaged and mishandled. 7 And look what happened in Japan with 8 those reactors. You know, that's not because the 9 original people did sloppy work. 10 DR. HILL: I understand, and I certainly appreciate your concern. I will let you know that we 11 are -- well, we are funded through appropriations 12 13 from Congress. 14 MS. NICHOLES: Um-hum. 15 DR. HILL: The money comes into Congress -- the money comes in from annual charges from the 16 17 licensees, so we're actually kind of at a zero budget 18 kind of folks, we actually charge -- it's a really 19 great thing. They go through our process and we 20 regulate them and we charge them for us to regulate 21 them. 22 MS. NICHOLES: So they --23 DR. HILL: So money comes in from the people that we regulate. 24 25 MS. NICHOLES: Well, it --

1 DR. HILL: Now, it does have to be 2 re-appropriated. 3 MS. NICHOLES: Yeah. 4 DR. HILL: But I would imagine that there 5 would be quite a public outcry if we didn't have б budget for the money that they get charged. 7 MS. NICHOLES: They were just considering taking money from the post office's profits that are 8 9 supposed to be put into the post office to cover another shortfall. So, you know, again, politics can 10 change things, and we don't always have full control 11 12 in perpetuity. MR. TUST: Thank you. 13 14 Any additional comments before we move 15 on? Yes, sir. MR. BERG: I'm Russ Berg, I'm a neighbor 16 17 here. In the winter is there going to be enough 18 turbulence to keep this thawed out or from freezing 19 up? What's the scenario on like last March when we were 30 below at 20-mile-an-hour winds? Is it going 20 21 to be able to function at that time or... 22 MR. BORGQUIST: Yes. 23 MR. BERG: -- will it -- it has enough turbulence to keep it thawed out? 24 25 MR. BORGQUIST: I don't want you to get

1 the idea that it's like a toilet when it's going back 2 and forth. But it's possible, while it's moving one 3 direction or another, it's possible to move 10 feet 4 in an hour in terms of its level. So, no, the water 5 is going to be under constant pressure and under б constant movement. So I'm sure there could be some 7 ice around the edges that form, but no, it wouldn't -- it's not going to affect the ability to operate 8 9 the project.

10 MR. TUST: Okay. With that, I think 11 we'll move on to page 11 of the scoping document 12 which deals with cumulative effects. And after 13 cumulative effects, we'll start getting into the more 14 site-specific resource issues, and we can go through 15 this one by one and give you all a chance to comment 16 on those.

So with that, I'll turn it to our 17 terrestrial biologist, Dianne Rodman, to handle this. 18 19 MS. RODMAN: Cumulative effects are 20 basically the idea that this project, or a project, 21 not necessarily this one, could be the straw that 22 breaks the camel's back for some resource. And so we look at the potential of the proposal to have a 23 cumulative effect on any of the resources that the 24 25 project involves.

1 In this case, we've come up with 2 terrestrial resources as something that could add to 3 other actions in the area to affect vegetation and 4 wildlife. And the reasons for this is that we do 5 have the wind farm in the vicinity of the upper 6 reservoir, and we do have agriculture in the vicinity 7 of the lower reservoir.

8 The construction itself of just the 9 reservoirs alone will result in the loss of a great 10 deal of vegetation. So that is one of the reasons 11 for identifying that as a cumulative effect. And we're looking at a time scale of 30 to 50 years into 12 the future, based on the potential term for the 13 14 original licenses that we issue. And geographic 15 scope of the analysis would consider lower Cottonwood Creek watershed. 16

Now, I'd like to know if anybody knows of any other kind of -- well, of any actions in the proposed project area that would affect terrestrial resources. Anybody building any casinos or subdivisions out there? No? We're doing our analysis from 2,000 miles away, so we really do need the help of the people who

24 know the area and have their ears to the ground. Or 25 for that matter, since I've explained what cumulative

1 effects are, are there other resources that you think 2 that this project would add that last little bit, 3 something that was initially innocuous, all of a 4 sudden with this project is just intolerable? 5 MR. MCCOLLOM: I've got a question. Rick б McCollom. 7 MS. RODMAN: Yes? 8 MR. MCCOLLOM: I was just reading this. 9 That's going to be a 25-foot shaft go all the way in 10 and go up. 11 MS. RODMAN: Yes. MR. MCCOLLOM: When we drive that shaft, 12 13 and I've been underground for going on 15 years, 14 what's going to happen to our water supplies from 15 Martinsdale to the three springs that we draw out of when you disturb the aquifer that's underneath the 16 17 Butte? 18 Because I know what happens when you 19 drive through aquifers. I worked at Stillwater Mine for ten years and off, and on other places for 20 21 others. When you drive through an aquifer with that 22 big of a hole, it's going to disturb those springs on 23 the surface. We've actually had springs that go away down by Stillwater and on the East Boulder that 24 25 aren't there anymore. What's going to happen to the

1 town's water supply from those springs? 2 MS. RODMAN: Okay, that's something to 3 consider. I would like --4 MR. MCCOLLOM: And the one goes right 5 under that -- if I'm reading that map you got over б there right, the one spring is where that shaft is 7 going to go right under. 8 A VOICE: That's Brock Spring. 9 MR. MCCOLLOM: That's Brock Spring, yeah. 10 MS. RODMAN: Excuse me, Mr. McCollom, what springs? 11 12 MR. MCCOLLOM: It would be the one that's right above Brock Gould's house. 13 MS. RODMAN: Is there a name for it? 14 15 MR. MCCOLLOM: And then there's two on the east facing side of the Butte that supply 16 17 Martinsdale. 18 MS. RODMAN: Okay. All right. MR. MCCOLLOM: And when you make that big 19 of a disturbance underground, a lot of times the 20 21 springs will dry up on the surface. 22 MS. RODMAN: Thank you. All right. 23 Okay, anything you folks would like to say about 24 that? 25 MR. BORGQUIST: I think it's something

1 that we're going to have to consider as we get ready 2 to prepare this. I don't think anybody is competent, 3 at this point, to say what the effect might be of 4 drilling that hole right now or not. So beyond that 5 I guess I don't have much to say about it. б DR. HILL: So that's something we can 7 add. We'll be going through resource by resource, 8 but that's something that we can add as an analysis 9 that we'd like to have in our environmental 10 documents. So thank you for saying that. 11 Do you want to go on to the other 12 resource issues? MR. TUST: Yeah, sure. 13 14 We're starting now on page 12 with the 15 individual resource issues. We'll kind of go one by 16 one and give a pause to see if any of you need to or 17 want to comment on any of these specific issues. 18 So we'll start with geologic and soil 19 resources. Sean? MR. O'NEILL: Sure. Sean O'Neill, FERC. 20 21 So in terms of geology and soils, we've 22 identified possible effects of project construction, higher erosion and sedimentation, you know, disturbed 23 soils which can lead to erosion. That can be an 24 25 impact.

1 Obviously you've also raised the issue 2 here of seismic activities in the area. That's 3 another issue we're going to take a look at. 4 MR. TUST: So for aquatic resources, 5 we've identified the effects of project construction б operation on water quality of the project waters and 7 Cottonwood Creek, the effects of the initial water 8 fill and annual makeup fills of the reservoir, on 9 other surface water uses in the basin, and effects of 10 project construction operation on fisheries and aquatic habitat in the project waters in Cottonwood 11 Creek. 12

And I imagine, based on your comment, the 13 14 drilling close to this aquifer, into this aquifer, 15 close to this aquifer, would be one that we would need to add to that. So we can definitely do that, 16 17 or we'll consider that in our --18 MS. MURPHY: You list effects, but you 19 don't say what the effects are. 20 MS. RODMAN: We're not there yet, ma'am. 21 MS. MURPHY: This is their to-do list. 22 MS. RODMAN: We're preparing this 23 analysis with not a great deal of information. I believe that GB Energy Park is going out and doing 24 25 studies this summer. So we're going to need to see

that information and any other information we can get
 from you or from State and Federal agencies before we
 do our analysis.

4 DR. HILL: There are a lot of steps for 5 public input that we have built in the process. And б our coordinator here will go through all those 7 different steps and opportunities to kind of amend, 8 and when our analysis will be done. But we're really 9 right at the beginning stages, and that's why --10 normally they put an applicant for this kind of 11 process that they're using, to develop an application. Normally we're not involved until after 12 the application gets filed, and then we see what 13 14 information we need after they have the whole 15 application together. 16 They had asked us to come out early and 17 to help scope some issues, to help draw out what the 18 issues are so that they can look at that in their 19 initial design. 20 So we're very early in the process. 21 We're just trying to figure out what the issues are 22 that you're aware of so that they can be looking at 23 that. And this is preliminarily what we'll look at in our environmental document; there may be more 24 25 issues as we get down the road, but we wanted to get

1	that on the paper now. And they asked for it to be
2	done early so that they can look at that in the
3	studies that they were needing to do to inform their
4	application. But there are a lot of steps before any
5	decision would be made on a project.
6	MS. MURPHY: Well, I'd certainly check
7	about the town's water supply
8	DR. HILL: Absolutely.
9	MS. MURPHY: as one of the highlights.
10	DR. HILL: Thank you.
11	MS. LAND: So my name is Karen Land.
12	This is a little off the subject, but what's the
13	timeline? I mean, I know that you could go through
14	all these studies and everything, but if everything
15	kind of is checked along, is this something that
16	happens in one year, two years, or I mean, what's
17	how
18	MR. TUST: Yeah, we're going to get to
19	that.
20	DR. HILL: We have a preliminary
21	schedule.
22	MS. LAND: Okay, sorry. Sorry, I'll
23	wait.
24	MR. TUST: We'll get there, don't worry.
25	Thank you, ma'am.

1 So anything else with aquatic resources 2 that we should consider at this point? Again, with 3 the understanding --4 MS. MURPHY: What happens with the 5 fisheries? б MR. TUST: Well, if you'd like to comment 7 specifically about the fisheries? We're proposing to evaluate the effects of the project construction and 8 9 the project operations on fisheries. 10 MS. MURPHY: Okay. MR. TUST: So any additional information, 11 specific information that you would like to us to 12 consider in that? Yes, ma'am. 13 14 MS. NICHOLES: Again, I'm K.G.H. 15 Nicholes. You're talking about aquatic, so I do have some questions here. Are these reservoirs going to 16 17 be fenced to keep wildlife from drinking out of them? 18 MR. BORGQUIST: Yes. MS. NICHOLES: If wildlife do drink from 19 20 them, is it just plain water, or are you going to put 21 antifreeze in it, or is it going to be adulterated in 22 any way? 23 MR. BORGQUIST: Just plain water. 24 MS. NICHOLES: Just plain water. 25 MR. BORGQUIST: And it will be fenced.

1 MS. NICHOLES: And it will be fenced. So 2 this won't be an opportunity for wildlife to get a 3 resource that they need, this is something kind of 4 separate from the --5 MR. BORGQUIST: Yes. б MS. NICHOLES: -- wildlife habitat? 7 MR. BORGQUIST: Yes. MS. NICHOLES: Okay. 8 9 MR. TUST: Any other comments? 10 Okay, Dianne, do you want to move on to terrestrial resources? 11 MS. RODMAN: This is, at this moment, 12 kind of general. And if anyone would like to help me 13 14 focus in on these bullets here, I would appreciate 15 it. First of all, the effects of the project 16 17 construction and operation on vegetation. As I said 18 earlier, just building the project you'll have structures that replace a lot of vegetation that's 19 20 there now. Then the effect of project construction 21 and operation of the spread of invasive species, 22 because over that three-year construction period 23 you're going to have a lot of construction vehicles, you're going to have a lot of possibility of weed 24

25 seeds getting into the project area, you're

1 disturbing soil, so we're going to be looking at the 2 possibility of that possible spread. And if the 3 applicant may come in with FERC proposals for how 4 they're going to minimize that problem. 5 Then the effect of upland, riparian, and б wetlands habitat loss on wildlife. That's including 7 mule deer, and the federal candidate species 8 Sprague's pipit and greater sage-grouse. 9 And then the effects of the transmission 10 line on raptors, waterfowl, other migratory birds, and other wildlife. And that would include both 11 electrocution and possibly collisions; if it's a 12 foggy morning and the birds don't see the 13 14 transmission line, they could possibly hit it. 15 Do you know of anything else that you can think of in the plant or wildlife area? Yes? 16 17 MR. TOLIVAISA: Peter Tolivaisa, Cottonwood Cabins LLC, 2262 State Highway 294. 18 On top of Gordon Butte there are like a lot of 19 20 rattlesnakes, and the diversion from Cottonwood Creek 21 to kind of like where the pool would be is a natural 22 barrier. Since it's an open channel, snakes don't 23 cross it. And I've never seen a rattlesnake on my place, and my parents always said that's because of 24 25 the canal; they don't cross it.

1 Now, with this project, is that canal supposed to be piped now, so there will be no natural 2 3 barrier for them to cross and get down into my 4 property? 5 MR. BORGQUIST: The plan is to pipe the б open ditch now. 7 MR. TOLIVAISA: Okay. 8 MR. BORGQUIST: I'm not aware --9 MR. TOLIVAISA: So the natural barrier 10 will be eliminated. MR. BORGQUIST: I'm not aware, Mr. 11 Tolivaisa, if a canal is a natural barrier for a 12 rattlesnake or not. I don't know anything about 13 14 that. 15 Pam, do you have any information on that? 16 MS. SPINELLI: Well, I don't know any 17 evidence if that is a barrier, but --MR. TOLIVAISA: Deterrent. 18 MS. SPINELLI: Rattlesnakes can swim. 19 A VOICE: They swim like hell. 20 21 MS. SPINELLI: I think so. I think it's 22 pretty speculative. 23 MS. RODMAN: Anything else? Okay. 24 I'm also doing threatened and endangered 25 species, which for this specific site is very -- as

1 far as we know, the only species that could be 2 affected is the proposed species wolverine; which we 3 were up there this afternoon, and I'm looking around 4 going wolverine? 5 MR. MCCOLLOM: We've seen them right here б at the lake in the last year. 7 MS. RODMAN: Really? 8 MR. MCCOLLOM: You see them all the time 9 in the Crazys. 10 MS. RODMAN: Okay. All right. MR. MCCOLLOM: And what about the swift 11 12 fox? 13 A VOICE: They're not from around here. 14 MR. MCCOLLOM: Oh, yes, they are. There 15 was one caught last year on the Hutterites by a 16 trapper and they released them. MS. RODMAN: Okay, I'll check on that, 17 because our agency will have to check all the boxes 18 19 for endangered species. And if there is a situation 20 which this proposed action may affect endangered 21 species, there are specific procedures we have to go 22 through. So swift fox and wolverine have been 23 spotted both in the Crazys? 24 MR. MCCOLLOM: Yeah, we used to have an 25 open trapping season on them here.

1 MS. RODMAN: Okay. All right, great. 2 Thank you. It shows what I know. 3 MR. MCCOLLOM: You can go up into 4 Cottonwood Creek and watch them play in the rock 5 piles in the afternoons when they're out after the б mice and the rodents. 7 MS. RODMAN: Wow. Spectacular. It looks 8 like I've got a little more on the wolverines than I 9 thought I did. And I will check on the swift fox. 10 All right, is that it for the terrestrial 11 resources? 12 DR. HILL: Are there any other resources, terrestrial or anything, or any other species that 13 14 are important that we need to ask the applicant to 15 evaluate? MS. RODMAN: You all know the critters 16 17 around here far better than anyone from out of town, 18 so... 19 MS. LAND: I have one more question. 20 It's kind of backing up a little bit, but when you 21 say the transmission lines, the effects on birds and 22 stuff, where is the transmission line at? Or maybe I 23 just need to look. MS. RODMAN: Well, actually --24 25 MR. BORGQUIST: (Indicating.)

1 MS. LAND: Because I was looking at that 2 \_\_\_ 3 DR. HILL: We can get a depiction of 4 that. 5 MS. LAND: Is there just one transmission б line? 7 MR. BORGQUIST: Yes, it's coming out and 8 then crossing over Cottonwood Road in the back. 9 MS. LAND: Okay, so is that the main one 10 -- which -- which? MR. BORGQUIST: That's the one and only 11 12 one. MS. LAND: Okay. What was the name of 13 14 it? Did you have a name for it? 15 MR. BORGQUIST: No, there's no name for 16 it. 17 MS. LAND: Okay. 18 MR. BORGQUIST: Oh, that's this one. 19 MS. MURPHY: She wants to know Colstrip. MS. LAND: Okay, that was -- yeah, okay. 20 21 So that's a different line. Okay, I just wanted to 22 clarify that. 23 MS. NICHOLES: The Colstrip line. The power is not feeding the local community's grid, it's 24 25 going in to these high tension -- the big towers.

1 MR. BORGQUIST: Well, they're all 2 connected. Once an electron gets on, you don't know 3 where it goes. 4 MS. NICHOLES: Well, the further away 5 from the source that we use it, the more loss there б is in between. That's one reason why it's nice to 7 see the wind towers, because locally generated power that comes to the little substation across the road, 8 9 is coming to our communities very efficiently with 10 very little loss. So, you know, just as a general 11 thing. 12 It's interesting that this project has nothing to do with the local power except as it's 13 14 part of a larger grid. 15 MR. BORGQUIST: Yes. DR. HILL: Also, I'd like to point out 16 17 that on page 8, we do have a diagram of the project 18 that you could look at now. Of course you've got 19 these great pictures, but they're not that close to you at the moment, and there's a dotted line going 20 21 down from the lower reservoir parallel with the 22 Cottonwood Creek Road --23 MS. NICHOLES: Um hum. DR. HILL: -- and ending at the 24 25 interconnected substation. And although it's not

1 shown on this figure, what we were told this afternoon was that that substation would be more or 2 3 less underneath the Colstrip line. 4 MS. MURPHY: How much of this project is 5 federally subsidized? б MS. RODMAN: I don't think any of it is. 7 MR. BORGQUIST: None, none at the moment. 8 MR. TUST: I just want to remind people 9 to state their names so that we can keep track. 10 I know Denise is doing a great job, but 11 she can't keep track of everyone here. So if you could please keep stating your name before 12 commenting, that would be helpful. Thank you. 13 14 MR. TOLIVAISA: Peter Tolivaisa, 15 Cottonwood Cabins, 2262 State Highway 294. The canal is from the diversion of Cottonwood Creek. From the 16 17 diversion point over is currently open, correct? It's an open channel. With this project, that canal 18 19 will now be closed and in a pipe. How are the 20 animals supposed to drink water? You just took it 21 away from them and put it in a pipe. 22 MS. RODMAN: That is a good question, and 23 that's one that we all can look at. So yeah, that's --24 25 DR. HILL: That's part of the evaluation

1 that would be done of what other sources of water 2 would be available, what would be remaining, what are 3 the species that would utilize that. So, yes, that's 4 part of an analysis that we would expect to see in an 5 application and evaluation, and something we would б also be putting in our NEPA doc. 7 MR. TOLIVAISA: Thank you, ma'am. 8 MS. RODMAN: That's a very typical 9 question for the source information. 10 MR. TUST: All right. Well, our recreation specialist normally would handle 11 recreational and land use, cultural and aesthetic 12 resources, but she could not make it today, Suzanne 13 14 Novak, so I'll be going through them. If there's 15 questions specific to this that we cannot answer, we will certainly do our best, and if we need to, we'll 16 17 come back and get back in touch with you with an 18 answer from Suzanne. 19 But for recreation and land use, we 20 identify the effects of project construction, operation, and maintenance on recreation resources in 21 22 the project vicinity. And the effects on land use activities in the project vicinity, including, as we 23 identified, irrigation, agricultural production, 24

25 grazing and private residential use.

1 Are there any additional land use 2 activities occurring that you can tell us about that 3 could be affected, or any additional specific 4 recreational resources you would like us to go to 5 more in-depth? Feel free to let us know. Okay. б For cultural resources, we identify the 7 effects of construction and operation of the proposed project on historic, archeological, and traditional 8 9 resources that may be eligible for inclusion in the 10 National Register of Historic Places. 11 Any -- yes. 12 MS. MURPHY: Have you had that surveyed? MR. TUST: Carl? Part of the applicant's 13 proposed studies are to get to --14 15 MR. BORGQUIST: Are you --MS. MURPHY: Have the archeological 16 17 assets been surveyed? 18 MR. BORGQUIST: We're in the process of 19 doing that right now. MS. MURPHY: Okay, thank you. 20 21 MR. TUST: Any additional information on 22 that you can provide us at this time? 23 MR. BORGQUIST: No. I mean, we're not finished, so... 24 25 MR. TUST: Right, I was just putting it

1 open.

2 MR. BORGQUIST: Yeah. 3 MR. TUST: Okay, so we'll move on to 4 aesthetics site resources. We identify the effects 5 of the construction and project operation on б aesthetics, including views in the project vicinity, 7 how the landscape is going to be affected; we also identify the effects of noise from project 8 9 construction, operation and maintenance. 10 Any additional effects that we should consider under aesthetics at this time? Peter? 11 MR. TOLIVAISA: Peter Tolivaisa. Lower 12 reservoir on that drawing over there, Gordon Butte 13 14 Pumped, right there, will that, the right side of the 15 lower reservoir, be visible from the road like it's hidden over on that picture? 16 17 MR. BORGQUIST: Just for all of you, this is a -- we had an expert come in to essentially 18 create this visual of what the lower reservoir will 19 20 look like when you're standing right in front of it. 21 This will be a better visual representation of what 22 this is going to look like than that cutaway. 23 So essentially, this fill, this saddle right here; this saddle right here (indicating), so 24 25 the visual is here looking at the lower reservoir.

1 Did I answer your question? 2 MR. TOLIVAISA: Yes, sir. 3 MS. LAND: One more question. Karen 4 Land. And then is the fencing out of view as well? 5 I was just curious with the fencing around. I guess б I see that the dam is hidden, but I didn't know if 7 the --8 MR. BORGQUIST: I'm going to have to punt 9 that one Rhett. I don't know if they put the fencing 10 in below grade there. MR. HURLESS: Rhett Hurless with Absaroka 11 12 Energy. The fencing will follow the top, and this 13 location will follow the top of the reservoir. 14 15 MS. LAND: Um hum. MR. HURLESS: And so if you look really 16 17 close, you can see little gray lines, which are the 18 rails along that fencing. 19 MS. LAND: And so that's the scale, so 20 that's... 21 MR. HURLESS: Correct, that's the scale. 22 MS. LAND: Okay, thank you. 23 MR. BORGQUIST: I don't have my glasses 24 on, so I can't see it. 25 MS. LAND: I can't see it either, but...

1 MR. TUST: Any other comments? So we'll 2 move on. 3 Socioeconomics. The effects of the 4 project on local economy of Meagher County, Montana. 5 And I know that Carl had gone into what б they project in terms of what the project will bring 7 in terms of jobs, but any effects that you think that we should be addressing in our environmental 8 9 document, please let us know. 10 MR. TOWNSEND: I can see -- come up with 11 a tax revenue. 12 MR. TUST: Yes, sir, I'm sorry, I couldn't hear. 13 14 MR. TOWNSEND: Tax revenue. 15 MR. TUST: Can you identify yourself, 16 please sir. 17 MR. TOWNSEND: My name is Herb Townsend, I'm county commissioner. 18 19 MR. TUST: Okay. Tax revenue? MR. BORGQUIST: Yeah, I have to look at 20 21 the study plan, but I would assume -- we've already, 22 sir, I think, talked about those estimates, but I 23 feel certain they're also in our study plan additionally as well. And I don't know if Steve 24 25 Laufenberg is here. There he is.

1 MR. LAUFENBERG: I believe they are. 2 That's going to be part of the whole compliment of 3 analyses. 4 MR. TOWNSEND: Yeah. 5 MR. LAUFENBERG: This is Steve б Laufenberg, Cobb Crest LLC. 7 MR. TUST: Anybody else? 8 Sean, do you just to want finish up with 9 air quality? 10 MR. O'NEILL: Sure. We also identified the possibility of project construction activities 11 12 and air quality in the area. It's a potential for the use of a lot of large construction equipment 13 14 which could produce some emissions, and whether that could have an effect on the local air quality is 15 something we'd like to hear if you think it's an 16 17 issue or if it's a non issue? 18 MR. MCCOLLOM: Rick McCollom. How is the 19 shaft going to be driven? MR. BORGQUIST: We're not certain yet, 20 21 sir, probably a tunnel boring machine. 22 MR. MCCOLLOM: You're not going to be 23 able to do the down shaft with a TBM. 24 MR. BORGQUIST: Well, let me --25 MR. LAUFENBERG: Most likely --

1 MR. BORGQUIST: -- let Kevin Schneider 2 from Barnard --3 MR. MCCOLLOM: So where are you going to 4 house all these people that they're going to bring in 5 to do a TBM and a raised board? б MR. SCHNEIDER: They'll live anywhere 7 from Townsend to Bozeman to Livingston, Big Timber, Billings if they choose. They can find a place by 8 9 White Sulfur, Harlowton. 10 MR. MCCOLLOM: That's not just an 11 overnight mining job. When we did the overnight in Stillwater, that was so long, it took us over a year 12 just to drive the horizontal shaft, and way over a 13 14 year to drive the vertical shaft that's going to be 15 in there. MR. SCHNEIDER: Yes, it this should be 16 17 the same. 18 MR. TUST: Yes, sir? 19 MR. HURWITZ: I'm Ben Hurwitz, County 20 Commissioner here in Meagher County. And all I'm 21 hearing tonight are just the saddest, negative 22 things. 23 Here you have a company that wants to spend a billion dollars in our little county and 24 25 create 300 jobs while construction is taking place,

1 25 jobs after construction, and I get the feeling 2 it's very negative here, and I'm just shocked 3 actually. I would think that our starved out county 4 that lost its logging industry in the '60s would be 5 grateful to have a thing like this come along. б Yes, there's -- you're going to do all 7 those things. You're going to look at the issues and 8 whatnot, but I hope you don't feel like that -- this 9 sounds like an inquisition to me. And I think it's 10 fantastic that anybody would even consider doing this. And this is not -- this is a tried and true 11 project done many places around the world. You're 12 not inventing the wheel. And it's pretty great when 13 you have a battery like this that's going to firm all 14 15 these windmills that are a problem for our power 16 industry. This is a great idea. 17 And there are some glitches and, you know, we're going to have to find a place for 300 18 workers to live. Well, that will be a nice problem 19 20 to have. So anyway, I just --21 MR. BORGQUIST: I'm grateful for the 22 comment, sir. Thank you, I appreciate it. 23 MR. HURWITZ: I just want to thank you for even trying to do this. 24 25 MR. BORGQUIST: I appreciate that very

1 much. 2 MR. TUST: Any additional comments at 3 this time? 4 MR. TOLIVAISA: Concerning the water that 5 you have to fit to the historical tenants. What б priority date will Absaroka Energy be using for its 7 water usage? 8 MR. BORGQUIST: Well, it's going to be a 9 new permit and --10 MR. TOLIVAISA: Really? MR. BORGQUIST: -- that means the 11 priority date would be a new priority date. You 12 don't want to give up your old priority date, Mr. 13 14 Tolivaisa, do you? 15 MR. TOLIVAISA: On a general abstract by the state of Montana, my priority date is August 1st, 16 1884. And --17 18 MR. BORGQUIST: Yeah, we're not going to 19 have that priority date. MR. TOLIVAISA: -- the flow rate, you 20 21 know, and I am down creek from this project, so... 22 MR. BORGQUIST: As I've mentioned to you 23 before, we're going to have to fit in to a well trodden system, and our plan is to create and fill 24 25 the lower reservoir without creating an impact to

1 anybody. Again, we're just fortunate that we're not 2 growing anything, so we can take water when it's 3 convenient in the system for us to take water and 4 others don't need it. And you all know there are 5 some times in the year when there's too much water б and the water causes some destruction. So we want to 7 be a good neighbor and take it then, and, again, try to facilitate the operation of what we think is a 8 9 very clean, very efficient project for the county. 10 MR. TOLIVAISA: I have a copy of my water 11 right here. How can I get it in to the record or if anyone would like to look at it right now or after 12 the meeting, I have a copy of it. 13 14 DR. HILL: You can give it to our 15 transcriber, we can put it in the record or you can 16 file it as you wish. 17 MR. TOLIVAISA: Thank you, ma'am. 18 MR. TUST: Okay. If there is no 19 additional comments right now, we can move on to page 14 section 5.0, Proposed Studies. As I said, under 20 21 the traditional licensing process, the applicant 22 usually will work with the stakeholders to develop 23 their study plans and carry out their studies before we get involved. But being as we are doing early 24 25 scoping, we provided here a summary of the current

1 studies being proposed.

2 So we can kind of go through them one by 3 one. You can provide comments as you wish to help 4 the applicant see what other issues may need to be 5 addressed; but here are the current studies that are б being proposed. 7 So we'll start with geology and soils. MR. O'NEILL: Sean O'Neill, FERC. So 8 9 currently GB Energy Park proposes to conduct an 10 analysis on geology and soils to identify potential geologic hazards or soil instability. 11 12 MR. TUST: Any comments on that? For Aquatic Resources, the applicant 13 14 proposes to characterize benthic macroinvertebrate 15 communities and aquatic habitat and source waters and 16 identify the potential project effects on the aquatic 17 resources in the project area. And Cottonwood Creek, 18 I guess, would be included in that, but -- in the 19 study, correct? In the area of Cottonwood Creek? MR. BORGQUIST: No. 20 21 MR. TUST: No. 22 MR. BORGQUIST: Our studies are behind --23 MR. TUST: Right, I wanted to have you --MR. BORGQUIST: Yeah, can I -- I 24 25 neglected to do something when I was describing the

1 project. As Mr. Tolivaisa alluded to, our plan is to 2 have the landowner install a fish screen behind his 3 diversion to keep fish out of the canal, and we would 4 like to pipe this because that's a more efficient use 5 of the water and we think it will add water to the б system. So we're going to pipe the water, but there 7 will be a fish screen in between that, and that's 8 where our project really starts.

9 We're not going to put another diversion 10 into Cottonwood Creek. So we have a work with the 71 11 Ranch in order to be able to accomplish the lower fill. So the studies, though the landowner and Fish, 12 Wildlife & Parks are going to be doing studies on 13 14 fish counts in Cottonwood Creek. We will be doing 15 studies behind the fish screen as identified in the 16 document.

17 MR. TUST: Any comments on that? MS. RODMAN: Terrestrial resources. 18 We 19 have one vegetation study and one wildlife study. 20 The vegetation is to identify the types, 21 abundance, and distribution of wetlands and riparian 22 habitat and other plant communities within the project boundary, including along the proposed 23 transmission line right-of-way; and to quantify the 24 25 potential project effects on vegetation.

1 The wildlife they proposed to identify 2 use by raptors, waterfowl and other wildlife by 3 season, habitat type; evaluate the species' presence 4 and habitat quality for federal candidate species and 5 birds protected under the Bald and Golden Eagle б Protection Act and the Migratory Bird Treaty Act, 7 and, again, to quantify the potential project effects 8 on wildlife resources. 9 I would also add that GB Energy Park has 10 filed a somewhat longer discussion of their proposed studies with the Commission, and that's available on 11 our internet site. So if you would like to know a 12 little more than the information that we summarize 13 14 here, you can go to the internet and find what they 15 told us. For threatened and endangered species, 16 17 they don't propose to do any studies at this time. 18 So does anybody have any comments about 19 that? Do you think that these terrestrial resources 20 or threatened and endangered species proposals are 21 academic? 22 (Conferring.) 23 MS. RODMAN: Oh, yeah. Well, do we need wolverine studies, or 24 25 actually if they are identifying use by raptors,

1 waterfowl and other wildlife, if they're going out there looking for wildlife in general, they may run 2 3 across the wolverines. 4 MR. MCCOLLOM: I think your studies on 5 the wolverines have already been done by Fish, б Wildlife & Parks. 7 MS. RODMAN: Okay. All right. MR. MCCOLLOM: At least I'd check into it 8 9 anyway. That's why they closed our trapping season 10 for it. MS. RODMAN: Okay. 11 12 DR. HILL: That kind of information is really helpful to us. If you have sources of 13 14 information that we might not know of, it's very 15 helpful if you can let us know, and we can contact them and have it. Thank you. 16 17 MS. RODMAN: Right, yeah. They had a 18 biologist this morning, but unfortunately he was a fish biologist, which didn't help me much. 19 MR. MCCOLLOM: I believe the guy's name 20 21 is TJ. He's out of Great Falls. He's also our wolf 22 biologist for this area. 23 MS. RODMAN: Thank you very much, I'll be getting on the computer as soon as I can. 24 25 That is part of the scoping, is finding

1 out from people what information may be sitting on 2 somebody's file cabinet that we have no idea about. 3 We try to hit the internet fairly heavily, but 4 sometimes you miss things. So pointing out things 5 like that is a huge help to us. б DR. HILL: And to the applicant, they'll 7 be putting together a lot of information that will 8 form the basis of our NEPA document. 9 MR. MCCOLLOM: I have one more question. 10 What's the effect of this going to be on the elk population on Gordon Butte --11 12 MS. RODMAN: That's something --MR. MCCOLLOM: -- and the mule deer that 13 14 we have there? MS. RODMAN: Yeah, that is an issue that 15 -- well, especially mule deer. We had listed that in 16 17 the terrestrial resources issues. So that is something that we're going to be looking at. 18 19 MR. MCCOLLOM: And the moose that have 20 just showed up in the last few years on this side of 21 the mountains? 22 MS. RODMAN: Has the State been studying 23 that? 24 MR. MCCOLLOM: Actually we have a season 25 for them, finally, on this side.

1 MS. RODMAN: Oh, okay. 2 MR. MCCOLLOM: And it was just given to 3 us two years ago. Now they have declined the tags 4 because of the decline of the moose population in the 5 Crazys already. б MS. RODMAN: Really? 7 MR. TOLIVAISA: Cottonwood Cabins, Peter 8 Tolivaisa. I've had several moose on my property in 9 the past couple of years, one bull, two cows and a 10 couple little ones. I do believe that they were harvested by the outfitter for the 71, so maybe he 11 might be able to give you some information. They 12 were on my property hanging out in the creek bed, so 13 14 thank you. 15 MS. RODMAN: You said the outfitter for the 71? 16 17 MR. TOLIVAISA: Yes, ma'am. 18 MS. RODMAN: 71 has an outfitter? I 19 didn't know that. A MCCOLLOM: Yeah, they have two of them. 20 MS. RODMAN: Two, okay. 21 22 A MCCOLLOM: Or they did have two. I 23 think they're down to just one now. 24 MS. RODMAN: Okay. So I know, Mr. 25 Tolivaisa, you had mentioned the effects on hunting

1 this morning. MR. TOLIVAISA: Yes, ma'am. I would like 2 3 to say that the building called The Lodge in 4 Martinsdale is where the outfitter for the 71 is 5 headquartered, or one of them, I don't know where б they're actually out of. 7 A MCCOLLOM: They're actually out of 8 Winifred, Montana -- Winter, Montana. 9 MS. RODMAN: Thank you. This is very 10 good information. MR. TUST: Any additional comments for 11 the proposed studies for Terrestrial Resources or 12 Threatened and Endangered Species? 13 14 Okay. So for Recreation and Land Use, 15 the applicant proposes to identify recreation and 16 land use resources and needs in the project area and 17 evaluate the effects of the project on those 18 resources. 19 Any comments on that? 20 For Cultural Resources, they proposed to 21 conduct a Class III, which from my understanding from 22 this morning is an on-the-ground survey type cultural resource and inventory of the Area of Potential 23 Effect in the project area and a traditional cultural 24 25 properties study to locate and document all cultural

1 resources and traditional cultural properties and 2 determine their eligibility for inclusion in the 3 Natural Register of Historic Places. 4 Any comments on that? 5 Okay. For Aesthetic Resources. They б propose to quantify and qualify the existing visual 7 quality of the project area and analyze potential visual effects of constructing and operating the 8 9 project. 10 For Socioeconomics, they proposed to evaluate the effects of the project construction and 11 operation on the local and regional economy and on 12 local social conditions, goods and services. 13 14 And air quality? MR. O'NEILL: And GB Energy Park at this 15 16 point does not propose any studies on air quality. 17 MR. TUST: Any comments on the air quality or anything we should be aware of? 18 19 MS. LAND: Karen Land. I guess as to the 20 air quality, I mean, I live like the first house when 21 you come into town, so is the air quality from doing 22 all the digging or from the construction vehicles and 23 everything, I mean, if there's no -- I mean there's just going to be no sort of guidelines for that, or 24 25 how does that work when construction of this size is

1 happening? Is that monitored in any way or is it just kind of a free-for-all? 2 3 MR. BORGQUIST: Can I take that, please? 4 MS. LAND: Because I've never been around 5 it. So it's just a question. б MR. BORGQUIST: Do you have the dust 7 permit; is that correct? 8 MR. SCHNEIDER: Yes. 9 MR. BORGQUIST: Yes, that's through the 10 State. And I'm going to let Kevin Schneider from 11 Barnard, who's, again, been through this. 12 MR. SCHNEIDER: We'll be required to get 13 dust permits, air quality permits for the concrete 14 plants. Equipment will be required to meet certain 15 federal standards that are in place now. 16 The fact that they're not studying -- it 17 is a separate issue than what we'll have to do and is 18 already in place. 19 MS. LAND: Okay. MR. SCHNEIDER: And we will follow all of 20 21 those guidelines. 22 MR. BORGQUIST: Yeah, that's actually a 23 good point. These are things we're going to study 24 and provide information on, but he's right, that's 25 all. They have a bunch of guidelines they have to

1 follow. 2 MS. LAND: Okay. 3 MR. TUST: Any additional comments on the 4 proposed studies? Yes? 5 MS. NICHOLES: Can you give me any idea б of how loud the pumps will be once it's in operation? 7 MR. BORGQUIST: You're not going to hear these. Even standing in front of the -- if you're in 8 9 the power station, you'll hear the equipment in the 10 power station, but if you walk outside --MS. NICHOLES: But from the road you 11 12 wouldn't? MR. BORGQUIST: If you walk outside the 13 door, you won't hear it. 14 15 MS. NICHOLES: Excellent. DR. HILL: So it seems what you're saying 16 17 is you would like to see an evaluation of the noise? 18 MS. NICHOLES: It already says you're 19 going to evaluate the noise. I just wondered from my own thinking about it, you know, are people in 20 21 Martinsdale going to be hearing a heartbeat? Do you 22 know what I mean? DR. HILL: Yeah, we have said we would 23 like to evaluate noise in our study -- in our NEPA 24 25 documents, but the applicant has not proposed to do

1 any studies on that to evaluate it. So it seems like you're indicating that you would like to see an 2 3 evaluation submitted in their application of that. 4 MS. NICHOLES: Well, if somebody has 5 experience with a similar setup, maybe they could б say. 7 MS. LAND: I wouldn't know that I'm not 8 going to hear it. 9 MS. NICHOLES: Yeah, it would be nice to 10 have it on record that they don't expect it to be really noisy. That would be nice. 11 12 MR. TUST: Okay, thank you. Yes? MR. VOLDSETH: Gary Voldseth, land owner. 13 14 I was wondering if any thought has been 15 given to the transmission line and where you tie in 16 to the big line in order to handle more power for, 17 say, like the Hutterites build a site over there, or 18 is it just going to be a size to handle what you're 19 doing here? MR. TUST: Carl? 20 21 MR. BORGQUIST: Yeah, that's a good 22 question. It's a little of both. We're obviously not going to want to build more than is necessary 23 just to interconnect the project. On the other hand, 24 25 having the substation there, it's going to be an

1 asset and it's going to allow -- if there are other 2 projects that make sense, they could be plugged in to 3 that substation, so... 4 MR. VOLDSETH: It's set it up so the 5 substation can be expanded? б MR. BORGQUIST: Yeah, they can expand it. 7 I mean, we're going to do just what we have to do to get interconnected, but the fact is we have to cut 8 9 the line there and that's a big expense. 10 MR. VOLDSETH: Okay. MR. BORGQUIST: So once it's done, that's 11 a cost that's already been covered. 12 MR. TUST: Additional comments on the 13 14 studies? 15 MR. VOLDSETH: Thank you, folks. DR. HILL: Thank you very much. 16 17 MR. TUST: So on page 16 we have some of the information that we're looking for moving forward 18 19 even beyond the scoping meetings here today. 20 It doesn't end today. So we're 21 continually trying to find out more information as 22 the applicant forms their license application and as 23 we move forward with evaluating the action and forming our environmental assessment. 24 25 So, again, some of the information that

1 we're still looking for from you as we move forward 2 here, anything that you can provide to us that will 3 help us with the geographic temporal scope of our 4 analysis, both site-specific and the cumulative 5 effects that you've heard today, any additional б environmental studies that you come across that we 7 should be made aware of relevant to the project, any 8 existing information to help us characterize past and 9 present actions that have occurred. You obviously 10 have a lot more historical knowledge than we could 11 ever imagine on our end, so any of that knowledge would be useful for us to evaluate the project as it 12 stands in terms of our environmental baseline for 13 14 starting with the baseline and evaluating the effects 15 of the project when added to the baseline. 16 Any information on any Federal, State or

17 local resource plans or project proposals you hear about that we haven't evaluated that you would like 18 19 us to evaluate and consider, please submit those. 20 Any documentation that would help us, again, 21 contribute to our cumulative, adverse or beneficial 22 effects of the resources we've talked about today. 23 And, again, any resources that you think that should be excluded from our environmental document. 24 25 I'll kind of go to page 18 just to touch

on some of the areas where you all will be able to
 provide input.

3 So first with this scoping document, 4 we're asking for comments to be submitted by July 5 25th. They can be submitted online or in paper form. 6 The information on how to submit those comments is 7 provided on page 22 -- oh, wait, that's the mailing 8 list, never mind. It's provided on page 17. So go 9 back a page.

10 On page 17, if you go online, you can submit your comments. All filings must clearly 11 identify the Gordon Butte Pumped Storage project, but 12 again, the project number is P-13642 on our eLibrary 13 14 system or eComments. And you can file them 15 electronically, or at the end of the first paragraph 16 there you have the address to send any written 17 comments if you prefer to mail them to us.

18 Now, if we go to page 18 for our EA 19 preparation schedule. Again, we start with the 20 scoping meeting that we had today. We had again 21 asked for comments by July 25th. As we go through 22 the comments, if there are major issues that we need 23 to address and include in our scoping document, if we feel the need to, we'll issue a Scoping Doc 2. 24 25 Basically that's an informational document to show

1 you how we address the comments at this stage. 2 And then once the license application is 3 filed, which we're expecting that to be filed 4 September of 2015, we'll be evaluating that 5 application for adequacy. And if everything is up to б snuff and we have all the information we need to do 7 our environmental analysis, we'll issue a Ready for 8 Environmental Analyses Notice, an REA, and you'll be 9 able to provide comments at that time. 10 Once we issue our draft EA, we'll also 11 have a comment period then for you to review the draft EA and provide comments on our analysis and see 12 how we did. 13 14 DR. HILL: Preliminary recommendations. 15 MR. TUST: Right, and preliminary recommendations for any conditions and environmental 16 17 measures that are proposed that you think, you know, we'll just provide comments on what's proposed at 18 19 that time. 20 And once we receive the comments on the 21 draft EA, those will be due about two months after 22 our draft EA is issued, that will also be filed 23 online, on our eLibrary system, in case you're wondering. So we'll issue our Final EA, right now, 24 25 January 2017.

1 Again, these target dates may change. 2 For instance, when the application is filed, if we 3 have any additional information requests that go out 4 or we have information that we need from the 5 applicant to perform our analysis, it may adjust б these dates. But this is how it stands now. 7 And I open the floor for any comments on 8 the schedule or any questions about how to comment or 9 provide input at this time before we open the floor 10 to anybody to provide any oral comments at the meeting here. Okay? 11 12 All right. Well, at this point --(Conferring.) 13 14 MR. TUST: Oh, okay, yeah, great. Well, 15 I'll just also touch page 19 and 20. We have our proposed EA outline, so you'll see how we proposed to 16 17 structure our EA at this time. 18 And then on page 21 for comprehensive plans, the Section 10(a)(2) of the Federal Power Act 19 20 requires FERC to consider the extent to which a 21 project is consistent with any federal or state 22 comprehensive plans, they're filed with the 23 Commission, for improving, developing or conserving 24 the waterways. 25 So we have a master list of comprehensive

plans that have been filed for the State of Montana.
That master list is available on line, and feel free
to go on line. There's a link there for instructions
on how to get to the -- well, that's for filing a
plan, but we do have our master plan online, so feel
free to review that.

7 This is a preliminary list, a subset of 8 the master list for the plans filed for the State of 9 Montana that we identify that could be relevant to 10 this project. And under section 10(a)(2), we have to 11 make sure that the project is consistent with these 12 plans.

13 So any plans that you feel we didn't 14 include that we should be looking at, please let us 15 know. And any plans that you don't find on the list 16 or on the master list that you think should be added, 17 there's a process for having them filed, and that 18 link is there at the top at the end of the first 19 paragraph on page 21.

And, again, before we get to the oral comments, I just want to reiterate, the mailing list starting on page 22, if you'd like to be added, there's information there on how to get yourself added to the mailing list if you feel you want to. And also if you are on the mailing list and you don't

1 want to be receiving all this and want to have 2 yourself taken off the mailing list, that can also be 3 done. So there's information there for you to have 4 that done. 5 So at this time we'll have folks come up б that wanted to give oral comments. Starting with Dan 7 Lloyd of the Governor's Office of Economic 8 Development. 9 MR. LLOYD: Thank you. Dan Lloyd, I'm in 10 the Governor's Office of Economic Development. And my boss, John Rodgers, couldn't be here today, so I'm 11 going to read a letter on his behalf. 12 "I'm writing this letter in support of 13 14 the Gordon Butte Pumped Storage Hydro Project 15 currently in the licensing process undertaken by 16 Montana-based Absaroka Energy through its single 17 purpose subsidiary, GB Energy Park LLC. I understand 18 that the Commission has agreed to early scoping under 19 the National Environmental Policy Act review for the 20 project and I support FERC in this decision. 21 "The Governor's Office of Economic 22 Development and other State of Montana agencies have 23 worked closely with Absaroka Energy to facilitate the responsibile development of this project. It is 24 25 clear that Absaroka Energy began consulting with the

relevant state and federal resource agencies early
 and has maintained an open dialogue throughout the
 development process. In the course of these
 discussions, they have built solid relationships with
 staff identifying potential issues and concerns,
 consulting on study plans and defining the scope of
 the NEPA review.

8 "Some of the nation's best sources of 9 renewable energy are available in Montana, yet the 10 full potential of these resources has yet to be 11 realized. As we continue to expand this important industry, I believe that building a modern, 12 13 fast-acting pumped storage hydro facility will help 14 integrate renewable energy resources into the 15 regional transmission grid, catalyze the development 16 of new generation projects, and preserve and optimize 17 our existing transmission infrastructure. 18 "If approved and developed, the Project 19 would result in hundreds of construction jobs as well 20 as numerous high wage permanent positions and

21 generate sustainable tax revenue. The project would 22 inject economic life into rural Montana and provide 23 further economic development opportunities around the 24 state.

25 "The State of Montana is committed to

1 properly permitting, monitoring and reviewing the 2 project to ensure that it complies with all federal 3 and state laws and protects Montana's natural, 4 cultural and economic resources. If my office may 5 assist the Commission in any way please let me know. б "Sincerely, John Rodgers." 7 Thank you. 8 DR. HILL: Thank you. 9 MR. TUST: Thanks. So we'll go next to 10 Brian Spangler of the DEQ renewable program. MR. SPANGLER: I'm Brian Spangler with 11 the Department of Environmental Quality in Helena. I 12 manage the renewable energy program at the DEQ at the 13 14 State Energy office. 15 We are not part of the regulatory part, 16 but I can tell you I believe in strong partnerships, 17 and I work very hard to build those relationships 18 with air programs to water programs and remediation 19 programs. And I also have a business background and 20 build strong partnerships outside the DEQ with 21 companies to move renewables for in the State of 22 Montana. 23 So I'm just up here to reinforce the letter of from the Governor's Economic Development 24 25 Office that we support this project, and I know that

1 our director of the DEQ did talk with the Department of Natural Resources and the Fish, Wildlife & Parks, 2 3 and did submit a letter to FERC also. So thanks. 4 DR. HILL: Thank you very much. 5 MR. TUST: Eric Love? б MR. LOVE: Hi, my name is Eric Love. I 7 live in Bozeman, and I work for the nature preserve 8 there as the global director of conservation 9 transactions. But today I'm here to represent myself 10 and my family. And I've been following this project from 11 its inception and will follow it closely. I strongly 12 believe that we, as a society, are at a crossroads 13 14 and that our economy is based on fossil fuels, and 15 this is simply not sustainable. So as our global population increases, so will our energy needs, and 16 17 projects like this are going to help solve that 18 problem. 19 I think that pumped storage is a very

20 much proven and cost effective technology. It's used 21 elsewhere around the world, and I think it's been 22 slow to catch on in the United States; and I think 23 that this is a great example of where it could work. 24 As I thought about it last night in 25 preparation, I looked up that one gigawatt hour of

1 power per year is enough for a thousand homes. And if this project produced -- my understanding from the 2 3 scoping document, an estimated 1,300 gigawatt hours 4 annually, that's enough to power 1.3 million homes. 5 So I'm here personally. I've never б testified at a hearing like this before in my life, 7 but as someone who works on behalf of the 8 environment, I just wanted to comment and throw my 9 support for this project. Thank you. 10 MR. TUST: Thank you. Kathy Burg? A VOICE: She left. 11 12 A VOICE: She's gone. MR. TUST: And I'm assuming Russell left 13 14 as well, Russell Burg? 15 A VOICE: He left also. 16 MR. TUST: We have some people that 17 mentioned they may want to talk, but we'll certainly 18 give you the opportunity. So Dick Indreland? MR. INDRELAND: I think I already made my 19 comment. I was really interested to find out if all 20 21 the science that you'd used, especially for the 22 impact statement and the environmental assessment 23 would be open for anyone that would like to read 24 through that, and I think that's the best way to do 25 it.

1	But I also wondered as far as ownership,
2	is this going to be purely an American company or is
3	there a foreign investment involved in this?
4	MR. BORGQUIST: It's an American company.
5	MR. TUST: Yes.
б	MR. BORGQUIST: Yeah, it's an American
7	company.
8	MR. INDRELAND: 100 percent?
9	MR. BORGQUIST: It's Montana investors.
10	MR. INDRELAND: One of the reasons I ask
11	that question is so many times you find out we either
12	have middle eastern investment, we have English,
13	there's nothing wrong with that, but it's nice to
14	know.
15	MR. BORGQUIST: It's American, Montana.
16	MR. INDRELAND: It's 100 percent
17	American? That's a fact.
18	MR. BORGQUIST: Montana. 100 percent,
19	yes.
20	MR. INDRELAND: Thank you.
21	MR. TUST: And K.G.H.?
22	MS. NICHOLES: That's me. I've asked
23	most of my questions. I'd like to speak with you
24	after the meeting for just a minute.
25	MR. BORGQUIST: Sure.

1 DR. HILL: It would be great if we could 2 get anything that you have to say on the record, the 3 public record. 4 MS. NICHOLES: Okay. 5 DR. HILL: Just because we like have it б available to the applicant and others as well, unless 7 you're telling us the site of some archeological 8 resource which, by the way --9 MS. NICHOLES: Well, no, it's not 10 archeological. I've lived in this area now almost 25 years, and when I first moved here there were lots of 11 song birds and there were lots of tiger salamanders. 12 People told me that there were tiger salamanders all 13 14 over. And I love critters, and I put up birdhouses 15 and I've gotten -- I've had salamanders for pets that 16 people have given me. 17 And I've noticed as the flood irrigation has given way to pivots, there have been fewer and 18 19 fewer tiger salamanders around. And now we're losing 20 our songbirds. There's lots of magpies, but the 21 songbirds aren't coming to my feeder anymore. So I'm 22 a little concerned that the ecological balance is 23 already shifting. 24 Also at one point they sprayed herbicide

25 along the old railroad track and they missed and they

1 got our scrub and killed a bunch of willow and like 2 all the frogs. And suddenly you couldn't hear the 3 frogs in the summer anymore. They're starting to 4 come back, but I am concerned about if they cover up 5 that irrigation canal, that that may be one of the -б since it is one of the open irrigation ditches, it 7 may be one of the last area habitats. 8 But I don't know -- you know, I'm not --9 that's not an area that I walk on, and I don't know 10 who could tell you whether they see salamanders there, but that is a concern of mine. 11 12 A VOICE: Speak up for the salamanders. MS. NICHOLES: There we go. 13 MS. RODMAN: All right. 14 15 DR. HILL: Thank you. We really 16 appreciate you putting that on the record. 17 By the way, I did want to mention, we said that we have things -- I'm going to speak up a 18 19 little more because --MS. RODMAN: Mother nature is here. 20 21 DR. HILL: -- I've got this competition. 22 But most of the information is on the public record, but things like the location of archeological sites, 23 the location of particular -- the exact location of 24 25 endangered species, those kinds of things, we have a

1 restricted service list that we prepare and only the 2 kind of need-to-know people get access to that. So 3 certain kinds of information we do keep out of the 4 public record and we just have it on a need-to-know 5 basis, but almost everything is enclosed. б MR. TUST: Jason Phillips? Mark 7 Haneynoose(ph)? 8 MR. HANEYNOOSE: Not at this time. 9 MR. TUST: Eric Love? 10 DR. HILL: We did Eric's. MR. TUST: Oh, we did Eric. 11 DR. HILL: He spoke. And I think that 12 was it. Was there anybody else who signed in that I 13 14 missed? Yes? 15 MR. TOLIVAISA: May I address the panel? This is a copy of my water right. Peter Tolivaisa, 16 17 Cottonwood Cabins LLC. 18 How does the priority date on my water 19 rights impair with the guidelines? MR. BORGQUIST: I have no idea. 20 21 MR. TOLIVAISA: There is a large pond of 22 water right here. Well, may I use this? Please excuse me. Right here is my property, I believe; is 23 that correct? And --24 25 MR. BORGQUIST: I think you would know

1 more than I would.

2 MR. TOLIVAISA: So my property here is 3 kind of off this. And this diversion line concerns 4 me greatly. What I was thinking, what about doing 5 some sort of pond right here so the water is able to б flow completely through Cottonwood Creek down the 7 Musselshell, and this lower reservoir would be fed 8 off of Musselshell. And also since the Musselshell 9 goes all the way to Martinsdale Reservoir, wouldn't 10 that be an alternate to put water in to this, because what is the linear foot that's going to be piped as a 11 diversion or elimination of Cottonwood Creek and how 12 much is going to be piped? 13

14 MR. BORGQUIST: Yeah. We're lucky, again 15 my opinion, you might have a disagreement with me 16 about that, but we're lucky and fortunate in the fact 17 that the project particulars that create the most feasible project also create the project with the 18 19 least amount of impact. So this arrangement not only 20 is the most feasible from a construction, aesthetic, 21 and cost perspective, but it's also the arrangement 22 that creates the least amount of an impact in its totality. That's why we have -- this is the most 23 24 efficient design and efficient arrangement. That's 25 why we've selected it and proposed this as the

1 original.

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MR. TOLIVAISA: I just think it would be 2 3 more beneficial to the environment not to close the 4 canal from Cottonwood Creek to the lower reservoir, 5 because there are games that are there. And б considering that Cottonwood Creek runs down here, and 7 also 3,000 feet, I don't know how long this pipe diversion is going to be, but that's a lot shorter 8 9 than I do believe this diversion point. So that is 10 my suggestion. Thank you very much. MR. BORGQUIST: Thank you. 11 MR. TUST: Any other folks have comments 12 they want to bring forward at this point? I just 13 14 want to note before we close that a copy of the 15 transcript of this meeting will be available on our website in about two weeks. If you prefer to have 16 17 the transcript earlier than that, you can speak with Denise following the meeting and she can arrange that 18 19 with you, provided that you know that it would be a 20 per page charge for that early delivery of that 21 transcript. But again, it's going to be available on 22 our eLibrary system in about two weeks. 23 Yes. 24 MR. TOLIVAISA: Peter Tolivaisa. How

long will it be before the transcript is on Absaroka

1 Energy's website; do you happen to know? MR. BORGQUIST: Sometime after FERC makes 2 3 it available. I can't give you a precise date. 4 MR. TOLIVAISA: So a month? 5 MR. BORGQUIST: We have to get it and б update our website, so I think in terms of getting 7 the transcript as fast as possible, probably the FERC 8 website is the one I'd go to first. 9 MR. TUST: And if you need more 10 information on getting to that website, we can provide that. It's FERC.gov, documents and filings, 11 eLibrary and put in the project code P-13642. And 12 again, if you eSubscribe, once we file the 13 14 transcript, you'll be notified if you prefer to have 15 that right away. 16 MR. TOLIVAISA: Thank you, sir. 17 MR. TUST: Yes. 18 MR. MCCOLLOM: I have one last question. 19 Has the Department of State Lands chimed 20 in on this, being as you guys are going to border 21 right up against the Department of State Land on the 22 north side of that lower reservoir? 23 MR. BORGQUIST: No. 24 MR. MCCOLLOM: Didn't even know that 25 state land would border on the north side of that

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reservoir?
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                  MR. BORGQUIST: We know where the state
 3
     land is. It's not going to be on any state land.
 4
                  MR. TUST: Anybody else? All right.
 5
                  Well, thank you all for attending the
 б
     meeting. We really appreciate the input, and feel
 7
     free to comment moving forward here as we go.
 8
                  So I'll close the meeting. Thank you
 9
     very much.
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           (The meeting was adjourned at 8:00 p.m.)
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