

SWEETHEART LAKE HYDROELECTRIC PROJECT
FIRST PROGRESS REPORT
May 31, 2010
Project No. 13563
Juneau Hydropower Inc.

1. General

This six month progress report is prepared in accordance with the requirements of Article 4 of the Preliminary Permit issued to Juneau Hydropower Inc by the Federal Energy Regulatory Commission (FERC) on December 14, 2009. This report documents licensing activities for the Sweetheart Lake Hydroelectric Project during the Period December, 2009 through May, 2010.

2. Project background

The Project would be an approximately 30 megawatt (MW) installation located at Sweetheart Lake and Sweetheart Creek, southeast of Juneau, Alaska. Details of the proposal are in the Permit Application, filed with the Commission on August 4, 2009.

3. Point of Contact

The FERC Point of Contact for the Sweetheart Lake Hydroelectric Project is:

Duff Mitchell, Business Manager
PO Box 22775
Juneau, AK 99802
(907) 789-2775

4. Schedule of Submitting License Application

JHI anticipates that a license application for the project will be submitted on or before December 1, 2012.

5. Summary of Consultation During Last Period:

Initiated Consultations with Douglas Indian Association and Central Council of Tlingit and Haida Indian Tribes of Alaska per FERC letter to adhere to FERC's policy statement to improve consultation with tribes affected by Commission actions. JHI recently issued Draft Communications protocol and request for ALP to stakeholder list.

JHI requested Forest Service Special Use Permit to Juneau District Ranger office for authorization to install stream gage equipment and to conduct initial non-invasive engineering, environmental and other investigations.

6. Studies conducted During Last Period:

Prior to application, JHI completed a full aerial and ground reconnaissance of Project area identifying stream and lake gage locations for installation upon issuance of Forest Service Special Use Permits. The aerial reconnaissance and investigated watershed boundaries. Ground reconnaissance provided assessment of the physical environment, including where an anadromous barrier in the lake outlet stream is located.

7. Outline of Engineering, Environmental and Other Investigations to be Conducted during the Ensuing 6-Month Period:

Project feasibility will continue to be assessed along with developing a study plan for seasonal investigations. JHI has initiated contacts and received bids from University of Alaska, USGS and private contractors to install and operate gage stations and a stream and lake gage to be installed. A bathymetric study of the Sweetheart Lake is scheduled later in the year.

8. Summary of Consultations that will take place During Ensuing 6-month Period:

JHI will monitor and follow up on issued Draft Communications protocol and request for ALP to stakeholder list. JHI is in the process of preparing to apply for use of the Alternative Licensing Procedure (ALP). In the next six months we plan to submit a Pre-Application Document (PAD), Notice of Intent (NOI) and a formal Request to Use ALP (including the approved CP) to FERC.

JHI has contacted potential hydropower consultants and entered discussions seeking consultant estimates to provide, Lake Bathymetry survey, fisheries surveys and stream gaging services. Depending on agency responses, JHI may be prepared to initiate early project studies.

Attachments: Project Pictures



Sweetheart Lake Outfall



Sweetheart Creek Falls