

**Progress Energy  
Yadkin-Pee Dee River Project  
FERC No. 2206  
Initial Consultation Document**

**Executive Summary**

Progress Energy Carolinas, Inc. (Progress Energy) also known as Carolina Power & Light (CP&L), a subsidiary of Progress Energy, owns and operates the Yadkin-Pee Dee River Project (Project), located on the Yadkin-Pee Dee River in North Carolina. The Project was constructed in the early 1900s and consists of the 84 megawatt<sup>1</sup> (MW) Tillery Development and the 24.6 MW<sup>1</sup> Blewett Falls Development. In 1958, the Federal Power Commission, the predecessor of the Federal Energy Regulatory Commission (FERC), issued to CP&L a 50-year license for the Project designated as FERC No. 2206. This initial license expires on April 30, 2008. Progress Energy is initiating the relicensing process for the Project with the submittal of the Initial Consultation Document (ICD).

The Project is located within a highly regulated stretch of the river in an area known as the Uwharrie Lakes region of the Yadkin-Pee Dee watershed. These lakes were created as a result of the construction of six hydroelectric developments. The Tillery and Blewett Falls Developments are the two most downstream of these six developments. The four developments located upstream of the Project are owned and operated by Alcoa Power Generation, Inc. (APGI) including the High Rock Development which is the principal storage and water regulating facility for the lower Yadkin-Pee Dee River (APGI 2002).

The Project performs a valuable public service by generating electricity as a peaking and load-following facility. Operation of the Project is dependent upon the releases from the upstream APGI project. The coordination of operations between the Tillery and Blewett Falls Developments are important for the efficient generation of electricity and for maintaining river flows downstream. The Project also provides numerous opportunities for the public use of the resources that the Yadkin-Pee Dee River has to offer.

A goal of relicensing is to identify and consider the needs of the environmental, recreational, and cultural resources of the Project and balance those with the need to generate electricity from the Project. Progress Energy will work with resource agencies and interested stakeholders to achieve this goal. Throughout the current license period, Progress Energy has worked with state, Federal and local authorities on numerous issues of importance to the public and the resource managers. Progress Energy proposes to continue this relationship and involve regulatory agencies as well as other interested stakeholders in the relicensing process. This approach is reflected in Progress Energy's intent to involve these stakeholders early in the relicensing process as is presented in the ICD.

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<sup>1</sup> FERC authorized licensed capacity.

The Federal Power Act (FPA) authorizes FERC to license non-federal waterpower projects on navigable waters and federal lands. FERC regulations require applicants for relicensing to undertake active consultation with the public, resource agencies, and affected Indian tribes prior to filing an application for a new license. The licensee (in this case Progress Energy) is required to initiate the consultation process no later than five years prior to license expiration or April 30, 2003, for the Project. The licensee is then required to file an application with FERC no later than two years prior to the expiration of the license, or April 30, 2006, for the Project.

Progress Energy intends to comply with FERC's requirements for consultation by following FERC's traditional three-stage consultation process coupled with active participation of stakeholders. Progress Energy initiates the first stage of consultation by submitting the ICD. The purpose of this ICD is to present an overview of the Project operations and a description of the existing resources associated with the Project. Progress Energy is also using the submittal of the ICD as an opportunity to provide detailed environmental data recently collected by the Company that can be used to provide an understanding of the natural resources present at the Project. The ICD also presents an initial discussion of potential issues associated with the relicensing of the Project and a suggested framework through which Progress Energy and stakeholders can come together to further identify and discuss issues, define needed studies, and share information.

Following the submittal of the ICD, Progress Energy will invite agencies and the public to attend a Joint Meeting to review the Project and to identify potential issues related to the Project. Progress Energy also views the Joint Meeting as an opportunity for stakeholders to become involved in the relicensing process. Progress Energy is proposing to form Resource Working Groups (RWGs) that will be focused on specific resource areas throughout the consultation process prior to the filing of the license application with FERC. The RWGs will review existing data, identify resource issues and needs, identify needed studies and their goals and review study plans. The review and discussion of data, identification of needed studies and study plan development are expected to occur in 2003 with studies being initiated in 2004. It is Progress Energy's desire to conduct studies according to study plans that have been cooperatively developed within the RWGs.

Progress Energy will submit to FERC a license application for the Project by April 30, 2006. Following receipt of the application, FERC will initiate its environmental assessment (EA) of the Project consistent with the National Environmental Policy Act (NEPA). This FERC EA process also provides additional opportunities for public comment. The EA will be incorporated into FERC's overall review as part of reaching their licensing decision.

### References

APGI. 2002. Yadkin River Hydroelectric Project FERC No. 2197 NC. Project Relicensing Initial Consultation Document. September 2002. Alcoa Power Generation, Inc., Yadkin Division, Badin, NC.