

1.0 INTRODUCTION

1.1 APPLICATION

On March 15, 2004, South Carolina Public Service Authority (SCPSA), filed an application with the Federal Energy Regulatory Commission (Commission or FERC) for a new license under Part I of the Federal Power Act (FPA), to continue operating its existing 130-megawatt (MW) Santee Cooper Hydroelectric Project (FERC Project No. 199), located on the Santee and Cooper rivers in Berkeley, Calhoun, Clarendon, Orangeburg, and Sumter counties, South Carolina (figure 1, appendix A). There are no federal lands located within the project boundary.⁶

1.2 PURPOSE OF ACTION AND NEED FOR POWER

1.2.1 Purpose of Action

The Commission, under the authority of the FPA, may issue licenses for up to 50 years for the construction, operation, and maintenance of non-federal hydroelectric projects. The current license was issued on May 9, 1979, and expired on March 31, 2006. In the interim, the Commission issued an annual license, which will continue (renewed on an annual basis) until the Commission has made a decision on a new license.

The Commission must decide whether to issue a new license for the project and what conditions to place on any license issued. When licensing a hydroelectric project, the Commission must ensure, among other things, that the project will be best adapted to a comprehensive plan for improving or developing a waterway. In addition to the power and developmental purposes for which licenses are issued (e.g., flood control, irrigation, water supply), the Commission must give equal consideration to the purposes of energy conservation; the protection, mitigation of damage to, and enhancement of fish and wildlife (including related spawning grounds and habitat); the protection of recreational opportunities; and the preservation of other aspects of environmental quality. This draft environmental impact statement (draft EIS) assesses the environmental and economic effects of (1) the proposed action (SCPSA's proposal); (2) the DSA measures; (4) a staff alternative that includes most of the measures in the DSA, along with additional measures recommended by staff; and (5) no-action (continued operation as required by the existing license).

⁶The U.S. Fish and Wildlife Service (FWS) leases, from SCPSA, 914 acres of land located within the project boundary, and approximately 5,000 acres of land underlying the waters of Lake Marion, as part of the operations of the Santee National Wildlife Refuge (NWR). By letter filed May 17, 2006 the FWS submitted five preliminary 4(e) conditions, claiming the Project occupies federal lands.

1.2.2 Need for Power

The Santee Cooper Project has an installed capacity of 130 MW that produces a net average of about 224,027 megawatt-hours (MWh) of electric energy per year that is used by municipally owned electric systems, rural electric cooperatives, and industrial customers throughout South Carolina. The power sold through municipally owned electrical systems, rural cooperatives, and private utilities is passed along to residential customers at cost. SCPSA states that, in total, through power produced by fossil fuel, hydro, nuclear, and landfill methane gas, it directly serves about 131,000 customers in all 46 counties of the state, primarily consisting of residential, commercial, and small industrial customers.

The project is located in the Virginia/Carolinas sub-region of Southeastern Electric Reliability Council (SERC), which is one of eight regional reliability councils of the North American Electric Reliability Council. The peak demand for the SERC region is projected to grow at an average annual rate of 2.08 percent over the planning period from 2006 through 2015 (SERC, 2006).

The power from the project would continue to be useful in meeting a part of the regional need for power. The project would displace some of the fossil-fueled electric power generation the regional utilities now use, and thereby conserve nonrenewable resources and reduce the emission of noxious byproducts caused by fossil fuel combustion.

1.3 CONSULTATION

1.3.1 Scoping

Staff conducted three public scoping meetings on May 17, 18, and 19, 2005, at the Holiday Inn Express in Moncks Corner, South Carolina, and at the Clarendon County Hospital Center, in Manning, South Carolina. Scoping Document 1 was distributed on April 20, 2005, and the deadline for filing scoping comments was June 20, 2005. In addition to comments received at the scoping meetings, the following entities provided written comments:

<u>Commenting Entity</u>	<u>Date Filed</u>
U.S. Department of the Interior, Bureau of Indian Affairs	May 11, 2005
John W. Matthews and Brad Hutto, South Carolina Senate and Jerry Govan, Jr., Harry Ott, Jr., Thomas Rhoad, and Gilda Cobb Hunter, South Carolina House of Representatives	June 6, 2005
Senator John C. Land, III, and Representative C. Alex Harvin, III, South Carolina	June 7, 2005
Phil P. Leventis, South Carolina Senate	June 8, 2005

<u>Commenting Entity</u>	<u>Date Filed</u>
Harry Ott Jr., South Carolina House of Representatives	June 13, 2005
Shirley R. Hinson, South Carolina House of Representatives	June 14, 2005
National Marine Fisheries Service	June 6, 2005 and June 17, 2005
U.S. Department of the Interior, Fish and Wildlife Service	June 13, 2005
South Carolina Department of Natural Resources	June 20, 2005
South Carolina Public Service Authority (SCPSA)	June 20, 2005
South Carolina Coastal Conservation League and American Rivers	June 20, 2005
U.S. Department of Agriculture, Forest Service	June 20, 2005
South Carolina Congressional Delegation, U.S. Congress	June 23, 2005
Margaret and Reed Thompson	June 29, 2005

1.3.2 Interventions

On July 26, 2005, the Commission issued a notice accepting SCPSA's application to relicense the project and requesting motions to intervene and protest. The deadline for filing protests and motions to intervene was September 23, 2005. The following entities filed interventions, none in opposition.

<u>Entity</u>	<u>Date Filed</u>
National Marine Fisheries Service	September 23, 2005
U.S. Department of the Interior	September 26, 2005
South Carolina Coastal Conservation League and American Rivers	November 2, 2005*

* Motion for late intervention

1.3.3 Comments on the Application

On February 7, 2006, the Commission issued a notice that the application was ready for environmental analysis and solicited comments, terms and conditions, recommendations, and prescriptions. The following entities filed comments:

<u>Entity</u>	<u>Date Filed</u>
National Marine Fisheries Service	May 5, 2006
U.S. Fish and Wildlife Service	May 8, 2006
U.S. Department of the Interior	May 8, 2006
South Carolina Coastal Conservation League and	May 8, 2006

American Rivers

South Carolina Department of Natural Resources May 8, 2006

U.S. Department of Agriculture, Forest Service May 8, 2006

On June 22, 2006, SCPSA filed its response to the above comments, terms and conditions, recommendations, and prescriptions. In addition, on June 7, 2006, SCPSA filed alternative section 18 fishway prescriptions and a request for trial-type hearing with the U.S. Department of the Interior (Interior) and the National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NMFS), in accordance with provisions of the Energy Policy Act of 2005. On November 17, 2006, SCPSA filed a Letter of Intent of Settlement with the Commission, which included draft settlement agreement (DSA) terms and conditions that SCPSA, FWS, and SCDNR recommend be included as conditions of a license. The DSA describes measures for fish passage, minimum flows, and enhancement of the Santee National Wildlife Refuge (Santee NWR). The DSA, if finalized, would modify Interior's preliminary fishway prescription, but NMFS is not a party to the DSA and has not modified its preliminary fishway prescription.

All comments filed are addressed in the appropriate resource area sections of section 3.0 of this draft EIS. Some of the comments address jurisdictional and legal issues, which we do not address. As appropriate, these issues would be addressed in any order issuing a license for the Santee Cooper Project.

2.0 PROPOSED ACTION AND ALTERNATIVES

2.1 NO-ACTION ALTERNATIVE

For a relicense, the Commission defines the no-action alternative as continuing to operate the project under the terms and conditions of the existing license, with no additional environmental protection, mitigation, or enhancement measures implemented. The environment as it exists today is the baseline against which we assess the benefits and costs of any measures that would be applied under a new license.

2.1.1 Existing Project Facilities and Operation

The jurisdictional, SCPSA-owned part of the Santee Cooper Project comprises several facilities and associated lands and waters along the Santee and Cooper rivers. SCPSA owns more than 32,151 acres of lands, 19,989 acres of which are contained within the project boundary (figure 2, appendix A). The project boundary along Lake