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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION
SCOPING MEETING
GORDON BUTTE PUMPED STORAGE HYDRO PROJECT
GB ENERGY PARK LLC PROJECT NO. 13642-001

Red Lion Colonial Hotel
2301 Colonial Drive
Helena, Montana 59601

Wednesday, June 25, 2014
9:00 a.m. (MDT)

PRESENT FOR THE FEDERAL ENERGY REGULATORY COMMISSION:

- Jennifer Hill - Chief, Northwest Branch Division,
Hydropower Licensing
- Michael Tust - Fish Biologist/License Coordination
- Dianne Rodman - Terrestrial Biologist
- Sean O'Neill - Project Engineer
- Cleo Deschamps - Attorney-Advisor
- Suzanne Novak - Recreation Specialist
(via telephone)

PRESENT FOR ABSAROKA ENERGY LLC:

- Carl E. Borgquist - President & CEO
- Rhett Hurless - Senior Vice President,
Technical/Engineering Development

1 PROCEEDINGS:

2 MR. TUST: We'll get started. Welcome to
3 the first of two scoping meetings for the proposed
4 Gordon Butte Pumped Storage Project to be located in
5 Meagher County, about three miles west of the city of
6 Martinsdale.

7 I'm Mark Tust, I'm a fish biologist with
8 the Federal Energy and Regulatory Commission, or FERC
9 for short. In addition to handling the aquatics and
10 fisheries issues on the project, I'll also be
11 coordinating the licensing.

12 With me today, I have other members of
13 the team: Dianne Rodman, a terrestrial biologist,
14 she'll be handling the terrestrial resource issues,
15 vegetation issues, and certain endangered species.
16 Sean O'Neill, our project engineer, he'll be handling
17 the geologic and soil resource issues, air quality,
18 as well as reviewing project maps and other exhibits.

19 On the phone we have Suzanne Novak, who
20 is our recreation specialist; so she'll be handling
21 recreation and land use issues, socioeconomics and
22 cultural resource issues in addition to aesthetics.
23 And we also have with us -- where is Cleo?

24 MS. RODMAN: She's not here.

25 MR. TUST: Okay. Well, we have Cleo

1 Deschamps, she's our attorney. She'll be coming in
2 soon. Don't get excited, she's just here to observe.

3 And last, but certainly not least, our
4 boss, we have Jennifer Hill, who's the chief of the
5 Northwest Branch Division of Hydropower Licensing.
6 We're all based in Washington D.C.

7 And to my left, you'll notice we have our
8 court reporter, Denise Nowak, who will be recording
9 today's discussion. This meeting will all be part of
10 the project record and will be posted on our eLibrary
11 website. ELibrary is our repository for all of the
12 documents filed for the project. You can access that
13 on our website at FERC.gov. Under documents and
14 filings, there's a link for eLibrary. You can peruse
15 that to look at all the previous filings for the
16 project and any new filings that come in. Feel free
17 to look at that.

18 I also want to mention under that
19 documents and filings tab, there is an eComment
20 button. For any comments that you want to submit
21 that you don't bring to us today, you can go online
22 and submit them on that. And also there is
23 eSubscription, where if you would like to be kept
24 abreast of all the filings that are filed with the
25 Commission related to this project, the project

1 number is 13T-13462, so you can register for that and
2 get e-mail notifications whenever a new document has
3 been filed. Granted, you're going to get everything,
4 so just keep that in mind, but if you do want to stay
5 informed, we encourage you to register for that. You
6 can also periodically check the eLibrary if you'd
7 rather not have e-mails sent to you all the time.

8 By the way, if anybody has not signed in,
9 we really encourage you to sign in so that we can get
10 your name and make sure we account for everybody
11 that's here. If you comment today, we would like to
12 be able to know who commented. And it will help the
13 court reporter as well, if you do comment during the
14 meetings, to state your name, and maybe for the first
15 time to spell out your name so that she can write it
16 in the first time, and that way we can move on from
17 there.

18 If you turn to the back of the scoping
19 doc that we have -- we have copies of that in the
20 back if you haven't brought them with you -- we have
21 our mailing list starting on page 22. If you notice
22 that you're not on this mailing list and you'd like
23 to be, there's a way to be added to the list. And
24 there's directions there under 10.0, you can go onto
25 our website and register to be on the mailing list so

1 you can receive that as well.

2 There will be plenty of opportunities to
3 comment today. One is obviously through the actual
4 discussion that will be reported through our court
5 reporter, and it will be available on our website
6 about two weeks after today. If you feel the need
7 that you would want the transcript ahead of time,
8 feel free to talk to Denise after the meeting and she
9 can arrange that for you. Again, it's going to be a
10 per page charge. But, again, after two weeks, the
11 transcript will be available on our eLibrary system
12 under the project number 13642.

13 So with that, is everybody aware of what
14 FERC is and what we do? Or how about a show of hands
15 for folks that aren't aware of what we do.

16 (Hands waving.)

17 MR. TUST: Okay, that's fine. Well,
18 we're an independent regulatory agency. We regulate
19 the interstate transmission of electricity, natural
20 gas and oil, but we also review proposals to build
21 natural gas pipelines and provide natural gas
22 terminals, and obviously license hydropower projects,
23 such as the Gordon Butte Pumped Storage Project.

24 Now hydro licensing is done out of the
25 office of energy projects, and the office is made up

1 of six regional branches specifically for licensing
2 hydropower projects. We are all out of the northwest
3 branch. And the applicant, Gordon Butte Energy Park,
4 has requested to use our traditional licensing
5 process. There are three: There's the traditional
6 alternative and integrated licensing process. Our
7 default is integrated licensing, but we used to have
8 the traditional as being our default, and I'll kind
9 of go over a little bit of the differences.

10 Under the traditional licensing process,
11 the applicant submits their notice of intent and
12 pre-application document, which they did, I believe
13 on April 29th of 2013.

14 MR. BORGQUIST: Yes, sir.

15 MR. TUST: And it's really where the
16 applicants pretty much coordinate with the agencies
17 and the stakeholders and public and develop their
18 studies with input, and actually performs their
19 studies to be the basis for their license application
20 that they will then file with us, and that's when we
21 would get involved.

22 Under the integrated licensing process,
23 we have much more extensive involvement at what we
24 call the pre-filing stage before they would issue
25 their license application. And there's also certain

1 hard deadlines that everyone has to meet, but, again,
2 those are kind of the differences between the two.

3 So we are working under the traditional
4 licensing process, they have not issued a license
5 application yet, we anticipate that in September of
6 2015. And once that occurs, we'll review the license
7 application for any deficiencies and pretty much move
8 to the stage where we could begin to be ready for
9 environmental analysis and draft our NEPA document,
10 NEPA being National Environmental Policy Act.

11 And that's why we're here today. We were
12 asked to do early NEPA scoping. Normally we're not
13 involved at this stage. Normally we're doing scoping
14 after the license application is filed. But the
15 applicant has asked us to do early scoping to try to
16 iron out the issues a little bit ahead of time, so
17 that's why we're here today.

18 So we encourage a lot of back and forth.
19 Any information you want to bring to us, we conduct
20 scoping like this to hear from you and to be able to
21 form our issues that we're going to actually evaluate
22 in our environmental document. Right now we
23 anticipate doing a draft and final environmental
24 assessment, but it could turn into an environmental
25 impact statement if enough of the issues -- or if

1 there's a need for it down the road. And we'll make
2 that determination after the application is filed.

3 So I wanted to kind of touch on a little
4 bit more about why we're here today. With scoping,
5 we're really, like I said, trying to form the issues
6 that we really need to touch on in our environmental
7 document. We want to make sure that our assessment
8 is fair and justified, and we want to make sure that
9 we're hitting on all the issues that are important to
10 you all. So we invite you to speak to us today,
11 speak to us after, provide written comments after.

12 Some of the things that we asked for, we
13 want to get a sense of what you think the depth of
14 our analysis should be on particular issues: What's
15 their significance. We want to know if there's
16 anything that you could provide to us to help us with
17 our cumulative effects analysis, or for any of the
18 major resource issues involved. We want to make sure
19 that we are evaluating all the reasonable
20 alternatives, because under NEPA we have to evaluate
21 alternatives to the projects in addition to the
22 proposed action that they're proposing. So any
23 reasonable alternatives that you want us to consider,
24 we'll take that in to account. And if there are any
25 issues that we identified that you don't think we

1 should be analyzing, that's also input that you can
2 give us right now today.

3 We'll also have a second meeting later
4 today at 6:00 p.m. at the Martinsdale Community
5 Center in Martinsdale, and we'll also have a site
6 visit. We're going to meet at the community center
7 where we're going to have the evening meeting at 2:00
8 p.m. this afternoon, so if you'd like to come along
9 with us to go see the site, I encourage you to do
10 that as well.

11 So with that, I'll turn it to Carl
12 Borgquist and his team to give a presentation on the
13 project and where it stands today.

14 MR. BORGQUIST: Thank you very much.
15 Thank you all for coming.

16 I want to start by taking a minute to
17 introduce some folks that I have brought with me that
18 are working on the project both internally as
19 employees and also key consultants here.

20 So first of all, Rhett Hurless and the
21 folks that came with us, if you just raise your hands
22 so people can identify you. Rhett Hurless is our
23 project manager. Eli Bailey is our assistant project
24 manager. I am Carl Borgquist, I have run Absaroka
25 Energy and Gordon Butte Energy Park. GB Energy Park,

1 LLC is a single purpose entity we created to
2 prosecute the development of the Gordon Butte Pump
3 Storage facility.

4 We also have as consultants with us,
5 sitting up here I have Steve Padula from McMillen, he
6 helps us with FERC licensing issues. I have Martin
7 Weber, Marty Weber from Stanley Consultants. Stanley
8 Consultants is our owner's engineer. I have Kevin
9 Schneider from Barnard Construction. Barnard is a
10 Montana based major construction company with a lot
11 of experience in hydro development. Our expectation
12 is that they will be the EPC contractor for this
13 project. Steve Laufenberg is up front. Steve is
14 with Cobb Crest, and Steve is working on
15 socioeconomic, recreational, cultural historical
16 issues as part of our studies. Pam Spinelli is in
17 the back, she's raising her hand back there. She's
18 with Garcia and Associates. Garcia is doing
19 essentially our wildlife analysis for the project.
20 And Leanne Roulson, I can't see where she is back
21 there, she's with Hydro Solutions. Hydro Solutions
22 is studying water and aquatic and fish issues related
23 to the project.

24 So that's the group that I have here. If
25 you all have any questions on those particular

1 subject areas, they would be happy to entertain those
2 questions and help you understand what the project is
3 all about.

4 I'm going to give you a brief overview.
5 I know a lot of you have heard about the project,
6 probably understand a lot about it, but for purposes
7 of the meeting and the record, let me just start by
8 giving you an overview.

9 This project is indented to build a
10 closed loop pump storage facility. What do I mean by
11 closed loop? I mean that we will not be interjecting
12 this project in to any existing waterway or reservoir
13 or lake. The image that I have up here is a Google
14 image of the two reservoirs, upper and lower, against
15 Gordon Butte. These reservoirs, as many of you know,
16 do not exist now. There's nothing but dry fields out
17 there, but this is what we're intending to build.

18 Those two reservoirs will be connected
19 with approximately an 18-foot penstock and tunnel
20 that will allow water to pass back and forth between
21 the upper and lower reservoirs. The reservoirs will
22 be earthen bank and roller compacted concrete. They
23 will be lined and tested. There's no discharge out
24 of these reservoirs, there's nothing we're going to
25 introduce into the reservoirs, the water is simply a

1 to interconnect this power station to the radar
2 electrical grid. In a moment I'll get to the purpose
3 of that connection in the power station's role in the
4 grid. But that connection will be out of the power
5 station and over to Cottonwood Road and back to the
6 500 KV Colstrip line where there will be a new
7 substation that will connect us into the 500 KV
8 backbone.

9 All of the project is on 71 Ranch
10 property. It's all on private property.

11 In terms of getting water to complete the
12 fill for the lower reservoir to start the operation
13 project, we will also, as many of you know, need a
14 little bit of makeup water over here to deal with
15 evaporation.

16 We will be using the 71 Ranch as an
17 existing diversion. As part of that diversion, we
18 will be helping the landowner install a
19 state-of-the-art fish screen that will keep fish out
20 of the water that goes down what is likely to be a
21 enclosed and covered pipe that will replace the 71
22 Ranch's open and unlined ditch that's feeding these
23 two pivots. So that will be replaced with a buried
24 pipe that will serve both the Ranch and allow us to
25 fill the lower reservoir to start the operation of

1 the project.

2 MR. TUST: That fish screen is on a non
3 project feature, correct?

4 MR. BORGQUIST: Yes, thank you. Our
5 project really starts behind the fish screen. The
6 fish screen will be installed and operated by the
7 landowner, although, as some of you in the audience
8 know, we've been talking to Fish, Wildlife & Parks
9 about their blessing the design and also the
10 installation of that, just to ensure that, in fact,
11 the fish screen will keep fish out of the pipe that
12 feeds the irrigation and filling of the lower
13 reservoir.

14 The project, equipment-wise, at this
15 point is configured to be four 100-megawatt units.
16 And here you see a cutaway of the stack of the
17 equipment, turbine, motor generator, and pump. A
18 short circuit arrangement allows us to both pump and
19 generate at the same time. And this is particularly
20 useful dealing with larger wind and renewable
21 resources on the grid. It allows us to respond
22 instantaneously to shifts in the grid so we can
23 either take electrons off the system or produce
24 electrons very quickly.

25 This is not theoretical equipment, this

1 is an actual cutaway of a project like the one we
2 want to build, it's in Austria, it's performing the
3 same service in the European grid. So lots of back
4 and forth between pumping and generating.

5 The purpose is not necessarily to produce
6 power, the purpose of this facility first is to act
7 as a shock absorber for the grid and allow utilities
8 to balance and manage our system without the system
9 crashing, the lights flickering or it becoming
10 unreliable. And this has become, as probably all of
11 you know, more and more of an issue as our generation
12 resources change and become more disbursed.

13 So in terms of the purpose of the
14 facility. The purpose really hits several key
15 important things:

16 First, the facility can act like a
17 battery. Let me give you a real world example from
18 Montana. We all know that Northwestern Energy is
19 contemplating the purchase of the PP&L's dams. Those
20 dams are run-of-the-river hydro. So in other words,
21 at night when we turn our lights off, those dams have
22 to be run because there are fish below the dams and
23 we have to keep the water flowing. What do we do
24 with the electricity that's produced during those off
25 peak hours? Well, a facility like this would allow

1 us to pump, take those electrons and run the pump
2 energy to the upper reservoir so that it can be
3 released during the day when there's higher demand
4 and more opportunity to use those electrons
5 officially.

6 The second thing I mentioned, the system,
7 because of its ability, because the equipment, is
8 very robust and able to move back and forth very
9 quickly. It's able to act as a shock absorber and
10 keep the system stable. And when you have large wind
11 assets coming on and off the grid, utility operators,
12 transmission operators will tell you it's becoming
13 increasingly difficult to keep the system healthy
14 when they have these instantaneous ramps up and down
15 of generation coming on and off the system.

16 The third is a kind of a multipurpose
17 utility tool. In other words, it can store, it can
18 do shock absorbing, but it can also wring out of our
19 system by filling holes in our transmission and
20 utilizing the assets we already have in the ground
21 better. It becomes an optimizer for the utility,
22 using it in terms of how it manages its entire
23 portfolio of assets.

24 From an economic perspective it's a
25 costly facility, though you won't see it because it

1 will be underneath the ground. There's a lot of
2 expensive equipment that will be in the ground, and
3 that's going to provide a lot of needed tax revenue
4 for a county that doesn't have a lot of economic
5 activity.

6 We expect there to be, over the course of
7 the of a three-year construction period, many
8 construction jobs associated with the project, about
9 350 at the maximum. Once the facility is in
10 operation, we're expecting about 20 to 24 permanent
11 jobs at an average salary of about 87,500. So from
12 Martinsdale, White Sulfur and Harlowton, Meagher
13 County, Wheaton County, this is a good influx of high
14 skill, highly paid capital and economic activity, not
15 to mention the other things that will be associated
16 with just keeping the facility clean, maintained,
17 functional, et cetera.

18 In terms of our process, FERC mentioned
19 we filed last year our notice to proceed and filed a
20 license. That was in late April of last year. We
21 had a joint meeting with FERC in Harlowton last
22 summer. We solicited comments, we received comments
23 from many agencies and went back out with those
24 agencies to coordinate and discuss concerns related
25 to mostly environmental issues. We developed study

1 plans, we have circulated those study plans with the
2 agencies, received comments and feedback, and had
3 that agency comment and feedback inform our
4 development of study plans that we proposed and filed
5 with FERC.

6 We also had the agencies and folks that
7 commented review what we proposed as a SD1 and took
8 input on that that we delivered to FERC. So we tried
9 to be very collaborative with the agencies about what
10 we're doing and get their input ahead of time in
11 terms of what studies we're going to perform related
12 to the project.

13 MR. TUST: Thanks, Carl. So at this
14 stage, we'll kind of get into the actual scoping
15 docs. So if you haven't picked a copy up, feel free
16 to grab up in the back so you can follow.

17 We'll start on page 6. Under National
18 Environmental Policy Act in our analysis, we're
19 required to, at a minimum, consider a no-action
20 alternative, the action that's proposed that Carl has
21 summarized and any other additional alternatives to
22 the proposed action that are appropriate. So I won't
23 get in to the specifics of the proposal, Carl did
24 that a few minutes ago.

25 So if we go to page 9 you'll see we have

1 a few proposed environmental measures listed here.
2 Now obviously this is a list that will be updated
3 once we have a license application. Once the
4 applicant has completed their studies and we have the
5 study results, we can incorporate the comments back
6 from the agencies and the stakeholders to find out
7 what types of measures need to be included in the
8 proposed action. So I won't go into too much detail
9 on this because this is, again, a work in progress at
10 this point, at this stage.

11 So we'll go to page 10, 3.3. So we left
12 this purposely vague. We don't have alternatives
13 that we've listed here right now. Again, this is an
14 early stage for scoping for us. But, again, we
15 recommend any of you that have information for us to
16 consider for alternatives to the project, please feel
17 free to comment either today or following the meeting
18 so that we can incorporate that into our analysis.

19 (Conferring) Thanks, Jen. So not only
20 alternatives to the actual project, but also
21 alternatives to certain measures that are proposed
22 either in the scoping doc right now or ones that come
23 up later in the process. So not just the project
24 itself, but actually also the environmental measures
25 in their proposal, feel free to provide us that

1 feedback.

2 So does anybody have a question at this
3 point before we move on to the cumulative effects and
4 resource issues? Okay, yes?

5 MR. TOLLVAISA: Peter Tollvaise, 2262
6 State Highway 294 in Martinsdale.

7 Looking at that picture, I do believe
8 last year at the Harlowton meeting, the lower
9 reservoir was going to be below grade.

10 Mr. Borgquist, is that's true?

11 MR. BORGQUIST: We had the lower
12 reservoir in a different location last year, and
13 after working with the landowner and our engineers,
14 we decided to move it to this location for reasons I
15 can go into if you're curious.

16 MR. TOLLVAISA: And that picture up there
17 shows that both reservoirs are full?

18 MR. BORGQUIST: That's right.

19 MR. TOLLVAISA: Now, during that project,
20 are both reservoirs are going to be filled or just
21 one at a time?

22 MR. BORGQUIST: No. It's a great
23 question, Peter. We'll fill the lower reservoir,
24 then the water will move back and forth between the
25 two. So it's always going to be some combination of

1 having water in one or the other, unless we're doing
2 maintenance for some reason and we've moved it to the
3 opposite reservoir.

4 MR. TOLLVAISA: Now, in the lower
5 reservoir on the right-hand side, what is the height
6 of the embankment? Because if it was going to be
7 below grade before and the design changed, now it's
8 above ground on the right-hand side, and I don't know
9 the height of that embankment.

10 MR. BORGQUIST: Actually let me just say
11 one thing. We modeled this with native grasses, so
12 if you look here, you can see the embankment is
13 really these two sections. The rest of it's been cut
14 into the hillside. So what you're looking at there,
15 the part that's straight that goes across, that's
16 stuff that is proposed to be constructed. The rest
17 it is the existing hill as it exists right now.

18 Does that make sense?

19 MR. TOLLVAISA: Ah, another question I
20 have: I don't know how these pictures are titled for
21 the record, that one there, does it show the existing
22 Gordon Butte wind project?

23 MR. BORGQUIST: I believe it does, Peter,
24 though I'd have to look carefully. But this is
25 certainly the road that was constructed to create --

1 and you can see the road came out here to these sites
2 where the turbines are located. I just can't tell,
3 without putting my glasses on, whether any part of
4 that is in that photograph or not.

5 MR. TOLLVAISA: Thank you, sir.

6 MR. BORGQUIST: Yes.

7 MR. TUST: Thanks. Anybody else at this
8 point? Okay.

9 So we'll move to cumulative effects, and
10 the effects that we've actually identified are
11 terrestrial resources. And I'll hand this over to
12 Dianne to give this part of the presentation.

13 MS. RODMAN: Right. Cumulative effects
14 would be the effects that the project has in
15 combination with other things that are happening on
16 the site or around the side. It's kind of the idea
17 that the project can be the straw on the camel's back
18 or it could be a beam on the camel's back.

19 What I've identified at the moment, the
20 one cumulative effect that I saw was terrestrial
21 resources, because the area of the project structure,
22 the two reservoirs, the Powerhouse and so forth,
23 would displace existing vegetation which would
24 provide habitat for wildlife. And the activities
25 within the watershed that the project may combine

1 with, would be the maintenance activities of the wind
2 farm and in the vicinity of the upper reservoir and
3 the agriculture activities near the lower reservoir.

4 The temporal scope that we are
5 considering would be 30 to 50 years in the future.
6 And our geographic scope would be the lower
7 Cottonwood Creek watershed. This is kind of a very
8 preliminary analysis.

9 So does anybody have any comments about
10 cumulative effects; either is this appropriate? Are
11 there other resources? Is my geographic scope way
12 off? Are there other activities in the area that we
13 were unaware of that may effect either terrestrial
14 resources or other resources in the area? I'd
15 welcome some input.

16 Yes, sir.

17 MR. TOLLVAISA: My name is Peter
18 Tollvaise, 2262 State Highway 294. I am representing
19 Cottonwood Cabins, LLC.

20 My property is at the intersection of
21 Cottonwood Creek Road and 294. It is not really
22 listed on that picture up there. Will water flow
23 down Cottonwood Creek? And this fish screen is
24 something new for me, so now no fish will be allowed
25 down Cottonwood Creek? And I have a very old water

1 right and 71 is -- I mean this project, I don't know
2 how the water is going to be taken from Cottonwood
3 Creek or the amount. And I am very concerned if all
4 the water from Cottonwood Creek is diverted, either
5 for irrigation of the 71 or this closed energy
6 project, will water flow down Cottonwood Creek to me?
7 I have one cubic foot per second as a water right.

8 MS. RODMAN: All right.

9 MR. BORGQUIST: Would you like me to take
10 that?

11 MS. RODMAN: Probably.

12 MR. BORGQUIST: Sure, I'd be happy to.
13 There were several questions in there, I think,
14 Peter, so if I forget one of them, remind me. But
15 let's talk about the water first.

16 As you know, historically for a hundred
17 years, as near as I can tell, the 71 Ranch has
18 diverter water based on their water right to irrigate
19 the Ranch. And Cottonwood Creek, late in the summer
20 season, will be dry from the point of their diversion
21 down to the Musselshell which is below Highway 294.

22 We are working on trying to obtain the
23 right to take water during the runoff period when
24 there's excess water in the system, and that's the
25 approach we're taking. We're not growing any crops

1 so it's not necessary for us, we can pick and choose
2 the time we can take water, and take water out of the
3 system when it's most convenient.

4 We will also be taking water out of the
5 71 Ranch diversion, so we can't be completely
6 filling, or Errol completely -- we can't do multiple
7 things above and beyond the capacity of the diversion
8 in the ditch, which is we've estimated at 50 to 60
9 CFS. So either Errol is irrigating a part of or
10 we're filling, but we can't do both.

11 The fish screen is our assistance towards
12 Errol's diversion and towards the system to make sure
13 and enhance the system now so that fish don't get in
14 to the pipe and get into what would be our project.
15 Again, our project starts at the back of the fish
16 screen. The fish screen will be installed by Errol,
17 it will be operated by Errol, but we're obviously
18 helping with, encouraging, and doing this to
19 facilitate better resource use, best practices, in
20 what Errol is doing and what we'll be doing, getting
21 water into the lower reservoir.

22 But the bottom line on the water, Mr.
23 Tollvaise, is that we can't mess with and affect the
24 priority dates and legal situation of that water.
25 We're going to have to take water at the runoff

1 period when nobody else wants it or needs it for
2 storage or growing something or whatever their right
3 associated with that water right is.

4 MR. TOLLVAISA: And the water right for
5 the 71 is, as you said, 50 to 60 cubic feet per
6 second?

7 MR. BORGQUIST: No, the water right is
8 more than that, but the ditch right now, we've
9 estimated and our experts have estimated, has a
10 carrying capacity of around 50 CFS. And the pipe
11 that we are planning to replace the ditch with would
12 have a carrying capacity of 50 CFS at this point.

13 MR. TOLLVAISA: That's a lot of water for
14 Cottonwood Creek. Now with this diversion point
15 causing basically the whole diversion of Cottonwood
16 Creek, will water come down Cottonwood Creek,
17 considering that 71 has a large water right and mine
18 is very small? Because with this, between the 71 and
19 Absaroka Energy, I do believe that Cottonwood Creek
20 could be basically eliminated if these rights are
21 fully exercised.

22 MR. BORGQUIST: Well, again, the 71 Ranch
23 has an existing and very old water right, as you
24 know --

25 MR. TOLLVAISA: As do I.

1 MR. BORGQUIST: -- it has historically
2 diverted at certain points of the year, they've
3 diverted the entire sum of Cottonwood Creek
4 consistent with that right. We can't mess with that
5 right, and we can't mess with your right, and we
6 can't mess with anybody else's right; we'll have to
7 fit into the existing system. And we know that there
8 are times of the year when there's excess water in
9 the system, and the excess water causes damage even;
10 so we are hoping to be a good neighbor and take the
11 water then.

12 We have three years, Mr. Tollvaise, to
13 fill the lower reservoir, and so we can pick and
14 choose over that three-year period. At 50 CFS, we
15 need about 40 days over three years to accomplish the
16 fill. So we can pick and choose over three years
17 appropriate days, days where we don't create any
18 adverse impact to the other water right users and
19 holders in the system.

20 MR. TOLLVAISA: I just get very
21 concerned, because during the dry times, Cottonwood
22 Creek is totalled diverted from my property at 2263
23 State Highway 294. This complete diversion of
24 Cottonwood Creek, which causes my water, domestic, to
25 become turbid and red and clay, and I don't like

1 taking a shower with red water coming out of the
2 spigot. My drinking water -- I mean, one year my
3 pump went dry, and for one year, well, one summer, a
4 portion of it, I was hauling my domestic use water
5 from the 71 Ranch.

6 It makes me very upset, concerned, and
7 even mad when I'm having trouble with drinking water
8 at my property, and then I'm driving by the 71 and
9 I'm seeing all their pivots going full force. I have
10 no water, and this is why I'm very concerned about
11 this project allowing water down Cottonwood Creek for
12 my domestic purposes, i.e. drinking and bathing.

13 MR. BORGQUIST: Mr. Tollvaise, I don't
14 know anything about your well or your situation nor
15 the water on your property. I will tell you, again,
16 that we can't affect that. We can't change the water
17 rights -- holders in the basin and what water rights
18 they have, including -- I know that you have a right
19 that I can see in the records. I don't know if
20 you're using that right, but I can see it in the
21 records, but we can't change those water rights,
22 those priority dates, and the way the system
23 operates.

24 MR. TOLLVAISA: I understand the rights
25 themselves cannot be changed, but I would like water

1 down Cottonwood Creek in order to fulfill those
2 rights. And my right is only one cubic foot per
3 second, I do believe.

4 MR. BORGQUIST: You can make a call for
5 that water, as I understand it, but we can't affect
6 that for you. We can't do anything with your right
7 or anybody else's right.

8 MR. TOLLVAISA: Thank you, sir.

9 MS. RODMAN: Does anybody else have any
10 comments? Does anybody feel that terrestrial
11 resources are appropriate cumulative impact issue?
12 Again, are there other resources that could be
13 cumulatively affected by the development of the
14 project? Does anybody know of any, say, construction
15 projects or other activities, other than the wind
16 farm and the agricultural activities that we've
17 already identified, that could effect resources? No?

18 Okay, Mike.

19 MR. BORGQUIST: Okay, I see Ms. --
20 Dianne?

21 MS. RODMAN: Yeah.

22 MR. BORGQUIST: Could I just make a
23 comment?

24 MS. RODMAN: Sure.

25 MR. BORGQUIST: I just wanted to point

1 out that in an earlier iteration of the location of
2 the lower reservoir, we had the lower reservoir
3 essentially over in this area impacting this pivot.
4 It also, by the way, Mr. Tollvaise, was an impact for
5 you and for the Galts and everyone coming down the
6 highway, so the decision was made to move the
7 reservoir over. That got us out of the agricultural
8 area to reduce that impact. It also, I think,
9 improved the aesthetics of the project. As you can
10 see, that's visually less than what we had modeled
11 before when the lower reservoir was to the west. So
12 these were the decisions that we made to move the
13 reservoir to be a part of that issue you're raising
14 now.

15 MS. RODMAN: Okay, thank you.

16 MR. BORGQUIST: Yes.

17 MR. TOLLVAISA: Mr. Borgquist, on that
18 map, since it's so close, could you please show the
19 panel and the people here where my property is
20 located?

21 MR. BORGQUIST: I'm not exactly sure of
22 the boundaries, Mr. Tollvaise, but it's generally
23 over here.

24 MR. TOLLVAISA: Okay.

25 MR. BORGQUIST: Am I getting that right?

1 MR. TOLLVAISA: Yes, sir.

2 MR. BORGQUIST: All right.

3 MR. TOLLVAISA: And I have a question.

4 Why was my property not included in that picture for
5 informational purposes? It seems like everything is
6 skewed to the east of Gordon Butte and there's really
7 nothing there, and Cottonwood Creek is totally on the
8 right side of the Gordon Butte and it's not shown
9 there.

10 MR. BORGQUIST: I can tell you that where
11 your property was in location to this was not a
12 consideration in picking this. We wanted to make
13 sure to get Cottonwood Road over here, the road for
14 the wind farm over here, because -- this is something
15 I failed to mention by the way -- when I was
16 describing the project is we intended to construct a
17 temporary road between the lower reservoir and this
18 road that was used to construct the wind farm in
19 order to keep trucks and equipment and activity off
20 the highway so that we can go back and forth between
21 the two without getting on the highway. But where
22 your property was located wasn't a consideration in
23 producing that photograph or that mock-up.

24 MS. PHILLIPS: Was it a consideration in
25 the environmental impact study? It seemed like

1 anything below Cottonwood Creek should be considered
2 in the environmental impact.

3 MR. TUST: Can you record your name,
4 ma'am?

5 MS. PHILLIPS: I'm sorry. My name is
6 Becky Phillips from Martinsdale.

7 MR. TUST: Thank you.

8 MS. RODMAN: Ms. Phillips, this is Dianne
9 Rodman. When you say "below Cottonwood Creek", what
10 specifically are you looking at? Because we are
11 interested in geographic scope of our analysis.

12 MS. PHILLIPS: Well, there are several
13 ranches below Cottonwood that have environmental
14 issues that would obviously be related to the
15 drainage of Cottonwood Creek. I know historically
16 every year it gets to a trickle, but if this is going
17 to have any further impact, I think that should be
18 involved with the environmental impact statement.

19 MS. RODMAN: Are you talking about from,
20 I guess, perhaps the 71 Ranch diversion down to the
21 Musselshell River?

22 MS. PHILLIPS: Correct.

23 MS. RODMAN: Okay, great. I think for
24 cumulative effects that that's covered with the lower
25 Cottonwood Creek watershed.

1 MS. PHILLIPS: Okay.

2 MS. RODMAN: Yeah, that is just for
3 terrestrial resources and cumulative effects;
4 however, there is no reason why we can't consider
5 that.

6 MS. PHILLIPS: Okay.

7 MS. RODMAN: All right.

8 MR. TUST: Thank you. Any other
9 questions for cumulative effects? Any comments,
10 opinions on what we've covered so far? Okay.

11 MR. TOLLVAISA: I have a question. Peter
12 Tollvaisa, 2262 State Highway 294, Martinsdale. Will
13 this pipe from the diversion point to the reservoirs
14 have leakage in it or -- you know, just from the gaps
15 in the pipe, will water be able to leak out? And
16 water from these ponds, will it be able or could it
17 be used for irrigation on the 71?

18 If you're running a pipe all the way from
19 Cottonwood Creek down to these ponds, I don't know if
20 it's going to be plastic, concrete, the material of
21 the pipe used.

22 MR. BORGQUIST: Yeah, okay. We don't
23 know, Mr. Tollvaisa, exactly what material is going
24 to be used yet; we're still looking in to that.
25 Whether there will be any leaks, I doubt it. It's

1 possible for any pipe to leak, so it would be
2 disingenuous for me to tell you that there won't be
3 any leaks, but I think the intention is to be
4 efficient and put it into a pipe rather than having
5 it evaporate in this unlined ditch. That hopefully
6 will be another overall benefit to the system in
7 saving and being efficient and careful with water.

8 MR. TOLLVAISA: Will any water be able to
9 be used from the lower reservoir to service
10 irrigation?

11 MR. BORGQUIST: No.

12 MR. TOLLVAISA: What will happen to the
13 water if water needs to be drained out of that system
14 for any reason?

15 MR. BORGQUIST: If we need to do any work
16 on the lower reservoir, we'll just pump it up to the
17 upper reservoir and then we can do the repairs --

18 MR. TOLLVAISA: Okay.

19 MR. BORGQUIST: -- and inspections or
20 anything else we need to do. Uniquely, unlike many
21 other dams and hydro projects, we have this ability
22 to move the water out of the reservoir and work on
23 it, look at it, inspect it, take care of it and so
24 on.

25 MR. TOLLVAISA: From --

1 MR. BORGQUIST: Go ahead.

2 MR. TOLLVAISA: Another question
3 concerning water from Gordon Butte, this energy
4 project, all the way up to the Crazy Mountains, which
5 is where the water is supplied from: Is there any
6 method, measuring devices, installed there to
7 calculate the water flow? Weirs? Are there any?

8 MR. BORGQUIST: I don't know the answer
9 to that question. I'm looking to Rhett Hurless.

10 MR. HURLESS: No, there isn't.

11 MR. BORGQUIST: Okay.

12 MR. TOLLVAISA: Are there any plans to
13 install measuring devices on Cottonwood Creek Road to
14 monitor the flow rates?

15 MR. BORGQUIST: We have talked about that
16 in association with trying to figure out how to
17 obtain water without creating an impact to anybody,
18 but we haven't finalized those plans. We're still
19 trying to figure out how to prosecute that.

20 MR. TOLLVAISA: Thank you, sir.

21 MR. TUST: Okay. I think we'll move on
22 to the resource issues, starting on page 12 of the
23 Scoping Document 1. So this list is meant to be a
24 preliminary list of issues, I want to stress that.
25 At this stage these are the issues that we've

1 identified to be included in our analysis, and we'll
2 kind of go through them one by one, we'll kind of
3 leave a little time between each one so that you all
4 can comment if you want to.

5 So with that, I'll start with geologic
6 and soil resources. Sean?

7 MR. O'NEILL: Sean O'Neill from FERC. So
8 in terms of geology and soil resource issues that
9 we've identified are the effects of project
10 construction on erosion and sedimentation, especially
11 in areas that are prone to erosion.

12 MR. TUST: Any additional comments for
13 soil and geologic resources?

14 Yes?

15 MR. TOLLVAISA: Peter Tollvaise. Is
16 Absaroka Energy leasing or buying the property from
17 the 71 for this project?

18 MR. BORGQUIST: Leasing.

19 MR. TOLLVAISA: Will mineral rights be
20 included in this lease?

21 MR. BORGQUIST: I can't talk about the
22 terms of the lease at this point, but I feel
23 comfortable saying to you that, no, mineral rights
24 are not anticipated as part of the lease. The lease
25 will be just to build and operate the facility.

1 MR. TOLLVAISA: Thank you, sir.

2 MR. BORGQUIST: All right.

3 MR. TUST: Anyone else for geology and
4 soil resources? Okay, I'll do aquatic resources.

5 We're proposing to evaluate the effects
6 of the construction operation on water quality of the
7 project waters as well as Cottonwood Creek, the
8 effects of the initial water fill and the annual
9 make-up fills on other water uses in the vicinity of
10 the project and the effects of project construction
11 and operation on fisheries and aquatic resources in
12 project waters and Cottonwood Creek.

13 So any additional comments on that?

14 MR. TOLLVAISA: Peter Tollvaise. With
15 this water coming down, and there's the fish screen
16 going into the project, what's going to happen -- and
17 let's just say that Cottonwood Creek below the
18 project is fully diverted, what's going to happen to
19 the fish? I mean, are they going to come down? They
20 can't go down Cottonwood Creek because there's no
21 water, and then they hit the fish screen...

22 MR. TUST: Well, like Carl has said, I
23 mean as you have stated before, there are times of
24 the year when Cottonwood Creek is completely diverted
25 or down to a trickle. And in that sense, we can't

1 affect the existing water rights. So I believe that
2 any fish that were in that creek would either move
3 back upstream, if they could, or would suffer injury
4 and mortality from water being diverted.

5 MR. TOLLVAISA: Thank you, sir.

6 MR. BORGQUIST: Do you mind if I jump in?

7 MR. TUST: Yes.

8 MR. BORGQUIST: I'd like to make an
9 addition here. The way the fish screen operates is
10 there's going to have to be some return flow.
11 There's nothing now. But when the fish screen is
12 operating there won't be a lot of return flow, but
13 there will be enough return flow back to the stream
14 to allow the fish to hit that return and then go back
15 up. So I can't say exactly what that will be, what
16 the size of that will be, but there's going to be
17 something that will allow the fish to get away from
18 the screen and get back in the creek.

19 MR. TUST: Thank you.

20 Anybody else for aquatic resource? Okay.

21 Dianne?

22 MS. RODMAN: Terrestrial resources. The
23 first issue is the effects of project construction
24 and operation on vegetation. When I say "operation",
25 I'm thinking about things like maintenance of the

1 transmission line right-of-way. You would not want
2 tall vegetation in power lines, so there's going to
3 have to be periodic maintenance events. And then
4 project construction, of course, the reservoirs are
5 going to displace currently vegetated land.

6 Effects of project construction and
7 operation on the spread of invasive weeds. Certainly
8 when you have vehicles, especially construction
9 equipment, you know, one dump truck after the other,
10 that can spread weeds, and that is a problem in the
11 west. Effects of upland, riparian, and wetland
12 habitat loss on wildlife, including mule deer and
13 federal candidate species Sprague's pipit and greater
14 sage-grouse.

15 I would like to point out that when I do
16 these analyses, I like to include candidate species
17 which are not actually protected by the Endangered
18 Species Act in the terrestrial resources section, and
19 species that are listed are proposed in the
20 threatened and endangered species section. So that's
21 how I divide it, in case anybody was wondering why
22 candidate species were in this section.

23 And then the effects of transmission
24 lines on raptors, waterfowl, other migratory birds,
25 and other wildlife. And that could be pollution or

1 electrocution since you'll have a new power line in
2 the area.

3 Does anybody have any comments on those
4 bullets? Yes, sir.

5 MR. TOLLVAISA: Peter Tollvaise, 2262
6 State Highway 294. There are going to be the
7 underground piping from the upper to the lower
8 reservoir, and those holes are 16, 18 feet in
9 diameter, and there's going to be one or two pipes,
10 16 to 18 feet in diameter from the top to the lower;
11 one or two?

12 MR. BORGQUIST: One.

13 MS. RODMAN: One, yeah. And that's going
14 to --

15 MR. TOLLVAISA: Will there be -- that's a
16 lot of excavation and material being removed. How
17 much material will be required to complete the
18 project, and what will be the extra leftover from
19 excavation and where will that material go or be
20 utilized, ma'am? That's my question.

21 MS. RODMAN: I'm --

22 MR. BORGQUIST: If you guys don't mind,
23 I'll let Marty Weber with Stanley Consultants answer
24 that question.

25 MS. RODMAN: Yeah.

1 MR. WEBER: Marty Weber with Stanley
2 Consultants.

3 What will happen is that during the final
4 design of the project, a lot of effort will be taken
5 to balance all the materials on the site to be used
6 for construction of the embankments and on the roller
7 compacted concrete in the upper reservoir embankments
8 and the concrete for the Powerhouse.

9 So the final layout of these reservoirs,
10 you know, it might change a bit to determine the
11 optimum elevation of the bottoms basically so that
12 there's a balance of that material, so that the
13 amount of material that's wasted or that needs to be
14 brought in on the site is minimized.

15 Now, there will have to be certain
16 materials that are brought in to make concrete and
17 roller compacted concrete, like cement and whatnot,
18 but the key to a good design is to use what material
19 you have available to you and use it on-site for your
20 construction.

21 MR. TOLLVAISA: So that means there will
22 be no excess material removed from the site other
23 than what's used in the project?

24 MR. WEBER: I'm not saying there won't be
25 any waste material, no.

1 MR. TOLLVAISA: Thank you, sir.

2 MR. WEBER: It will be optimized and
3 minimized.

4 MR. TOLLVAISA: Thank you, sir.

5 MS. RODMAN: We would generally expect
6 any plans to remove any of the other materials and
7 where those would go, we would like to see that in
8 any plans when an application is actually filed.

9 We're still at the early stages of
10 design, that's why they wanted to do early scoping,
11 was to get everybody's input early on, to help design
12 the project in a way that would minimize the impacts,
13 and also to get everybody's input right up front on
14 this.

15 If there is excess construction spoil, it
16 has to be put somewhere. Our analysis should say
17 what the effects of putting that construction spoil
18 somewhere would be. So that will be something that
19 we would be interested in.

20 I think that's about it. You brought up
21 that. Are there any other additional terrestrial
22 resource questions that I don't have in my list? I
23 kind of went with general and vague because we don't
24 have specific plans yet, but is there anything that
25 you can bring up? Yes, sir.

1 MR. TOLLVAISA: Peter Tollvaise, 2262
2 State Highway 294, Cottonwood Cabinets, LLC. During
3 hunting season in Montana, a lot of game animals are
4 on my property. It's a really nice place for them to
5 hide during the winter because it is sheltered from
6 the wind, there is food there, and hopefully there
7 will be water down there.

8 Last year, I seen moose on my property,
9 one bull, two cows and some calves. There are elk
10 down on the adjacent property, not the 71s, but I'm
11 sure there's big game on the 71 also.

12 MS. RODMAN: Thank you. Okay.

13 MR. TOLLVAISA: And I would also like to
14 note, Mr. Borgquist, I do believe that I invited
15 members of Absaroka Energy, if they'd like to, to
16 come up to my property and hunt last year.

17 MR. BORGQUIST: We all appreciate that.
18 We didn't take you up on that offer, but I want you
19 to know it was very much appreciated. We know it was
20 sincere and I want to thank you on behalf all of us.

21 MS. RODMAN: Does anybody have any
22 comments on the four items that I've listed here?
23 Should these all be analyzed with equal weight, or
24 are there some that are more important than others?
25 That is one part of scoping, is to get an idea of the

1 relative importance of issues. Besides local
2 residents, we have State and Federal agencies that
3 may have some opinions about that, like say the
4 transmission line effects. Is that a big one?
5 Little one? Or do you want them all analyzed
6 equally?

7 Do you want me to do threatened and
8 endangered?

9 MR. TUST: Yeah, why don't you.

10 MS. RODMAN: Okay. Did you have anything
11 further? I don't want to hurry you.

12 MR. TOLLVAISA: Ma'am, I was just asking
13 Becky Phillips, she's a bird expert and I noticed
14 these species of birds listed up here, and I just
15 want to ask her if she's seen them on my property.

16 MS. PHILLIPS: There are many raptors on
17 his property, but I'm not sure -- I mean, I think
18 they've already included in their statements that
19 they're going to include that in the study.

20 MS. RODMAN: Okay.

21 MR. TOLLVAISA: One other question.

22 MS. RODMAN: Okay.

23 MR. TOLLVAISA: On this map I'm seeing a
24 lot of gray, and it looks like unirrigated land. I'm
25 not familiar with the term, riparian. Is that

1 equivalent of wetlands?

2 MS. RODMAN: Well, wetlands -- riparian
3 basically means local water. Again, that can be
4 wetlands, and it can be -- in my third bullet I list
5 them separately. Riparian, you can say like willows.
6 Wetlands, you could say like cattails.

7 MR. TOLLVAISA: Yes, ma'am. And with my
8 property on 2262, has it been analyzed for these two
9 items since Cottonwood Creek runs through the direct
10 center of my property?

11 MS. RODMAN: I don't know what their
12 current study plans include.

13 Steve, do you have any idea about the
14 scope of your plans there.

15 MR. LAUFENBERG: It's probably better for
16 Pam.

17 MS. RODMAN: Pam, okay. All right.

18 MS. SPINELLI: Peter, no, there's no
19 studies going on on your property right now. We
20 looked at buffer areas around the project features to
21 define a wildlife study area, approximately half a
22 mile above there, and I don't believe that your
23 property was in there. But we are doing studies --
24 we do have bird counts going on along Cottonwood
25 Creek, and we have done some raptor searches along

1 the Musselshell, raptor nest searches.

2 MR. TOLLVAISA: Excuse me, did I just
3 hear that your study area is within a half mile from
4 the project limits?

5 MS. RODMAN: Yeah, more or less.

6 MR. TOLLVAISA: I do believe that my
7 property is less than that amount. Actually from the
8 center of Cottonwood Creek to my property line
9 boarder by former Louise Galt, I do believe it is 300
10 yards or less.

11 MS. SPINELLI: From what --

12 MR. TOLLVAISA: From the center of
13 Cottonwood Creek, all right, that would be east, to
14 the property line with 71, is about 300 yards. And
15 since I'm -- my property is bordered by 71, I find it
16 very concerning that my property and my neighbor's
17 property, Dr. Ingersoll's, is not included in these
18 environmental studies.

19 MS. RODMAN: It's a buffer around the
20 proposed project features. So for example, the
21 transmission line, the reservoir, the road areas,
22 it's not Cottonwood Creek in general.

23 MR. TOLLVAISA: Thank you.

24 MS. RODMAN: Okay. Ms. Phillips, what
25 raptors have you seen in the area?

1 MS. PHILLIPS: Oh, by the way, I'd like
2 to correct that I'm not a bird expert, I did spend a
3 period of time working for the Utah Division of
4 Wildlife Resources in the riparian section, but I'm
5 not an expert. I've seen a lot of Golden eagles,
6 Bald eagles, we have many falcons and also owls.

7 MS. RODMAN: Okay, great.

8 MR. TUST: Thank you.

9 MS. RODMAN: Does anybody else have any
10 comments on the scope of impact for terrestrial
11 resources? No?

12 Okay. I'm also going to handle
13 threatened and endangered species, since for this
14 project you're really only talking about terrestrial
15 resources. And the one species that could occur,
16 maybe possibly could occur in the project area and
17 that is proposed for listing is the North American
18 wolverine.

19 Now, looking at the project, I think
20 that's pretty tenuous; however, we are required to
21 assess the effects on either listed or proposed
22 species, so we probably will say a little bit about
23 the wolverine.

24 Does anybody have any comments either
25 about other listed or proposed species, or the

1 possibility of wolverine occurring in the project
2 area?

3 DR. HILL: I will mention that the court
4 reporter can't record shaking of heads, so please
5 speak up if you want to be identified.

6 MS. PHILLIPS: I've never seen one.

7 DR. HILL: Okay, thank you.

8 MS. PHILLIPS: You're welcome.

9 MS. RODMAN: It did not seem very likely
10 in this county.

11 MR. TUST: All right. Well, like I'd
12 mentioned in the beginning when I was introducing the
13 team we have, our recreation specialist, Suzanne
14 Novak is on the phone. I'm going to go ahead and
15 handle the rest of the these issues that Suzanne will
16 be addressing. She's on the phone for any questions
17 that you guys may have, or clarification that she can
18 provide, but I figured you guys would be able to hear
19 me better than on the phone, so I'll go ahead and do
20 recreation and land use.

21 MR. TOLLVAISA: Peter Tollvaise, 2262
22 State Highway 294 of Cottonwood Cabins. Since
23 Absaroka Energy is leasing the lands from the 71,
24 will Absaroka Energy allow hunting on its leased
25 property?

1 MR. BORGQUIST: You are asking me, I
2 assume?

3 MS. RODMAN: Well, the question is for
4 you --

5 MR. BORGQUIST: Yes.

6 MS. RODMAN: -- but I have my own
7 opinions on the subject.

8 MR. BORGQUIST: Go ahead, Dianne, I'll
9 let you have a crack.

10 MS. RODMAN: Okay. The hydro project
11 boundary generally only includes the amount of land
12 needed to safely operate the project. So unless
13 there is some land of significant recreational or
14 wildlife habitat or something value, because those
15 can also be project purposes. So the project
16 boundary that the Commission generally defines for a
17 project is pretty tight around the project
18 facilities.

19 That being the case, I would think that
20 allowing hunting around electrical facilities is not
21 a great idea. This is, however, a site specific
22 determination, and I'd like to see what Absaroka
23 Energy was thinking about.

24 MR. BORGQUIST: Yeah. I can tell you
25 that there's no excess property subject to the lease,

1 so there will be no hunting, no activity like that on
2 what we're doing at all.

3 MS. RODMAN: We're not going to have big
4 chunks of prime hunting land removed from the
5 county's reservoir of good wildlife habitat. And I'm
6 sure you know that some people think that power line
7 insulators are just wonderful targets. We're not
8 thrilled with that idea.

9 MR. TUST: Anybody else? Okay. We'll
10 move on to recreation and land use.

11 We have identified the effects of project
12 construction, operation, maintenance on recreational
13 resources in the project vicinity, and the events on
14 other land use activities, including as we
15 identified, irrigation, agricultural production,
16 grazing and use by private residents.

17 Does anybody have any additional land use
18 activities that we need to identify here or any
19 recreation and land use issues that you'd like us to
20 analyze?

21 Yes, sir. Can you identify yourself,
22 please?

23 MR. KEANE: My name is Jim Keane, and one
24 of the things that are -- I'm not sure if this is the
25 appropriate place, but under land use is, because you

1 generate electricity, is this project going to apply
2 for renewable energy credits or...

3 MR. TUST: That's a question for Carl, I
4 think.

5 MR. BORGQUIST: At this point I couldn't
6 say whether it would or wouldn't. I think that would
7 depend on who exactly is operating it and how that
8 fits in with the rest of the grid. So it might, but
9 at this point I don't know.

10 MR. TUST: Sir, do you have an
11 affiliation? Just so we can get it on the record.

12 MR. KEANE: I'm a state senator from
13 Montana.

14 MR. TUST: Okay, great.

15 MR. KEANE: So under the land use,
16 renewable energy credits, is it going to be disclosed
17 of who's buying the electricity or how it's being
18 generated or who's the purchaser, who's accessing the
19 project?

20 MR. BORGQUIST: Sir, I think it will be
21 operated by utilities, and there's a lot of
22 disclosure that has to occur by law as a result of
23 the activity of anybody putting electricity on the
24 system. So subject to those existing rules, those
25 disclosures will have to be made.

1 I don't know exactly who that will be at
2 this moment, but I think that that territory is
3 pretty well established in terms of a utility or user
4 having to identify what they're doing on the grid.

5 MR. KEANE: And then does PFC have
6 regulatory authority over this project?

7 MR. BORGQUIST: It will depend on who's
8 using the facility. So if Northwestern is using it,
9 it could be part of their regulated business; it
10 could be an unregulated asset. That might be true of
11 any other utility as well. And then there are
12 different rules that apply to whether it's regulated
13 or not regulated and what exactly they're using it
14 for.

15 MR. KEANE: Well, for the federal people,
16 I think it's important that these issues get
17 discussed, and the whole process of where electricity
18 is going, who's buying it, are renewable credits
19 involved, is it in-state, out-of-state, does the
20 Public Service Commission have authority over it? I
21 think that somewhere down the road those issues need
22 to be addressed by the federal government.

23 MR. TUST: Thank you.

24 Any other comments for recreation and
25 land use? We'll move on to cultural resources. We

1 identify the effects of construction operation, of
2 the project on historic, archeological and
3 traditional resources that may be eligible for
4 inclusion in the National Register of Historic
5 Places; a pre-standard.

6 Any comments on that?

7 We'll move on to aesthetic resources.

8 Effects of the project construction and operation on
9 aesthetics, including views in the project studies
10 and the effects of noise from project construction,
11 operation and maintenance. Yes?

12 MR. TOLLVAISA: There was a meeting in
13 Harlow last year, and I do believe that that picture,
14 the lower reservoir, was supposed to be completely
15 below grade, and it looks like there's maybe a little
16 triangular embankment on the right-hand side, and I
17 thought that would be flush with grading instead of
18 above grade.

19 MR. BORGQUIST: Do you want me to tackle
20 that one?

21 MR. TUST: Yes, sure.

22 MR. BORGQUIST: Two things, Mr.
23 Tollvaise, that the illustration is not precise, it's
24 really represented to let you know where the penstock
25 is going to be, kind of the general cutaway of Gordon

1 Butte. I mean I think this image, we'll call this
2 the Google image over here, with the two reservoirs
3 mocked up, and the aesthetic display we had prepared
4 that shows the embankment in the front, would be a
5 better illustration of that lower reservoir and how
6 it fits into the rest of the topography.

7 MR. TOLLVAISA: So the water level for
8 the lower reservoir will be at grade level and not
9 above it --

10 MR. BORGQUIST: Well --

11 MR. TOLLVAISA: -- or if it is above it,
12 what would be the elevation above grade represented
13 in that drawing?

14 MR. BORGQUIST: Let me see if this
15 answers your question. This will have to be
16 excavated and material removed. Then these two
17 sections will be filled in. You're looking at one of
18 them right there. So the water will be below that
19 level, and to some extent that illustration of the
20 cutaway gives you some sense of that. But the water
21 is going to be below -- these cuts will be below that
22 line that you see for that section that's built in.

23 MR. TOLLVAISA: Will the lower reservoir
24 be visible from 294?

25 MR. BORGQUIST: That is what you'll see

1 standing in front of the reservoir, so no.

2 MR. TOLLVAISA: Thank you, sir.

3 MS. NOVAK: I'm sorry, this is Suzanne at
4 FERC in D.C. Did you say the lower reservoir would
5 not be visible from the road or would be --

6 MR. BORGQUIST: Well --

7 MS. NOVAK: -- because I'm not able to
8 see the picture.

9 MR. BORGQUIST: Yeah, let me try to
10 answer that with more precession.

11 MS. NOVAK: Okay.

12 MR. BORGQUIST: If you're looking at it,
13 though we intend to plant it, you might be able to
14 tell that part of that is part of the lower reservoir
15 that was constructed, but you won't see water.

16 MS. NOVAK: Okay.

17 MR. BORGQUIST: You won't actually be
18 able to look into the reservoir. You'll just see the
19 embankment kind of built into the other topography of
20 the toe of Gordon Butte.

21 DR. HILL: So to describe it for the
22 record, you would see a berm that would be vegetated
23 from the road?

24 MR. BORGQUIST: Yes.

25 DR. HILL: And then the roller compacted

1 -- RCC would be on the inside of this, concrete would
2 be on the inside and maybe a little bit underneath?
3 How would that work?

4 MR. BORGQUIST: Go ahead, I'll let Marty
5 Weber speak specifically to that.

6 MR. WEBER: What you're looking at in
7 that photo there is -- basically it's called a saddle
8 dam, it's to shut off the natural draw of the land to
9 close off that water. So on the left and the right
10 is natural ground. In the center is a new embankment
11 that connects the two and retains that water. And
12 that settle dam is what you see on that cross section
13 there.

14 So the lower reservoir will be largely
15 enclosed within natural ground, but where there are
16 low spots, it has to be filled in with new
17 embankment. And that will likely be a rock fill
18 embankment with vegetation outside, not roller
19 compacted concrete.

20 MS. NOVAK: Okay, thank you.

21 MR. TUST: Anything else for aesthetics?

22 MS. NOVAK: Oh, I have a question, too.
23 I noticed in the study plan, the draft study plan,
24 you mentioned that the project would be visible from
25 the roadways and waterways. And I was just wondering

1 what waterways were you referring to? Was it the
2 creeks or what?

3 MR. BORGQUIST: I'm going to have to take
4 a look at that. I don't know what waterway we were
5 referring to, to be absolutely honest with you.

6 MS. NOVAK: Okay. Okay, I just wanted to
7 make sure, because I couldn't --

8 MR. BORGQUIST: That might be kind of a
9 clerical error on our part.

10 MS. NOVAK: Okay.

11 MR. BORGQUIST: I just can't imagine what
12 waterway we would be thinking about.

13 MS. NOVAK: Okay.

14 MR. TUST: We'll move on to the next
15 page, page 14, socioeconomic. The effects of the
16 project local economy of Meagher County.

17 Are there any other comments on that?

18 Okay.

19 MR. O'NEILL: Sean O'Neill from FERC. We
20 also wanted to raise the potential impacts of the
21 project on air quality.

22 As you all know, there's going to be a
23 bit of construction and we want to get feedback on
24 that. Does anyone else have anything they want to
25 add to potential impacts on air quality, or does

1 anyone believe that perhaps it's an issue that
2 doesn't need to be looked at, that it's a non issue?

3 MR. TOLLVAISA: Peter Tollvaise, 2262
4 State Highway 294, Martinsdale. Will like dust and
5 stuff, considering that the Martinsdale reservoir is
6 about five miles east of the site, will that cause
7 any of the dust produced by the project to filter or
8 be moved to Martinsdale reservoir?

9 MR. O'NEILL: Well --

10 MR. TOLLVAISA: Basically, is the dirt
11 going to blow from Gordon Butte into the reservoir?

12 MR. O'NEILL: Well, I'll just say
13 something real quick. We wouldn't expect it to if
14 proper sediment and erosion control practices are
15 employed, which are being proposed.

16 But if you have anything to add that?

17 MR. BORGQUIST: Best practices, we have
18 to get permits, or the EPC contractor will have to
19 get permits to do that. Maybe Kevin from Barnard can
20 make a few comments about that.

21 MR. SCHNEIDER: That's something we're
22 very familiar with and we're putting those
23 constraints on virtually all projects. There will be
24 water trucks, stock piles like topsoil that will be
25 in place for any amount of time will be seeded and

1 planted. So, no, we're very used to working in a
2 tight environmental constraint on dust and would
3 suspect that that will be the same here.

4 MR. TUST: Sorry, did you identify
5 yourself for the record?

6 MR. SCHNEIDER: Sorry, Kevin Schneider
7 with Barnard.

8 MR. TUST: Yes?

9 MR. TOLLVAISA: Concerning
10 socioeconomics, Martinsdale is a very small town. It
11 has a population of about 50, I would say. There is
12 no supermarket, no gas station. About the only
13 workable businesses in there are the Mint Bar and the
14 Crazy Mountain Inn, and that is only open seasonally.

15 And this project will bring 350 people
16 during construction. How are these people to eat,
17 get gasoline, and will there be any improvements to
18 Martinsdale?

19 Where are these guys going to eat? Where
20 can they get gas? Because right now, I have to drive
21 30 miles one way to White Sulfur Springs or
22 Harlowton, Montana to get a gallon of milk or
23 gasoline for my outfit. So 350 guys in Martinsdale,
24 where are they going to get their gasoline, and will
25 there be any gasoline available for purchase for the

1 locals of Martinsdale?

2 MR. TUST: Well, we'll certainly address
3 those issues in our assessment, so I appreciate your
4 comments.

5 And, Suzanne, did you want to expand on a
6 response to that or give a response to that?

7 MS. NOVAK: No. I mean it's a good
8 question, and all that would have to be addressed in
9 the applicant's socioeconomic analysis; the impact on
10 the community and, what would be proposed to, you
11 know, mitigate impacts and so forth.

12 DR. HILL: Carl, do you have anything you
13 want to add?

14 MR. BORGQUIST: I think there's going to
15 be an opportunity for a grocery store and a gas
16 station. So I think that opportunity will be there.
17 And of course we'll address that in our studies and
18 whatnot, but I think the good news, Mr. Tollvaise, is
19 that those services will come back, I think it's
20 likely it will come back to Martinsdale, which I
21 think most residents would be happy about, I would
22 think.

23 MR. TOLLVAISA: Mr. Borgquist, Peter
24 Tollvaise.

25 MR. BORGQUIST: Yes, sir.

1 MR. TOLLVAISA: There are two abandoned
2 gas stations in Martinsdale and there's also an old
3 little country store that was historically used to
4 buy stuff. So that's all I wanted to say. Thank
5 you.

6 MR. BORGQUIST: Okay, noted.

7 MR. TOLLVAISA: One other thing I would
8 like to ask. There are going to be 350 gentlemen
9 working on this project. They will have time off and
10 most likely like to have a beer or two after work.
11 Are there any ideas where these gentlemen can go
12 socialize, you know, have a beer or two in a local
13 area? Are they going to invade the Mint Bar, or, you
14 know, are they going to have a private social area or
15 -- and even where are these people going to stay?
16 Are they going to be on the 71 or on Absaroka Energy
17 or... I do not know. That is the end of my
18 question.

19 MR. BORGQUIST: Do you want me to tackle
20 that?

21 DR. HILL: Yes.

22 MR. BORGQUIST: I'm going to let Kevin
23 Schneider from Barnard chip in, because they've
24 obviously run projects like this many times over.
25 But we want to hire Montana workers. And the

1 expectation is that we will, or the EPC contractor,
2 not Absaroka Energy, that will be the EPC
3 contractor's responsibility, is to run buses from
4 Bozeman, Billings, Livingston, and other areas to
5 bring workers in to work and then bus them back to
6 their homes when their shift is over.

7 I think there's going to be some economic
8 opportunity and activity in Martinsdale, and our good
9 old capitalistic American system will probably be
10 there to find services and opportunities for people
11 that want to create some economic opportunity as a
12 result of the construction and folks that will be
13 around.

14 We're talking to the Meagher County
15 commissioners now, early, about how to manage all of
16 this, trying to take input from people well before
17 all this starts, and we'll certainly address it in
18 our study plans and study work as well.

19 MR. TOLLVAISA: Thank you, sir. One
20 other question, just a quick one. You said there
21 will be several high paying jobs? Well, I'm just
22 curious about what the requirements would be,
23 whether, you know, a professional -- actually I would
24 please like to strike these comments for right now to
25 get the meeting going and continuing. Thank you.

1 MR. TUST: Okay. Well, if anybody else
2 has any other questions, any other issues you want to
3 bring up right now before we move on, feel free.
4 Okay.

5 So the applicant is proposed studies.
6 Normally, as I said before, we're usually not
7 involved at this stage of the study plan development,
8 but we have listed them here for the different
9 resource areas, and we can kind of go through that
10 relatively quickly. And if you have comments, I'm
11 sure the applicant and we would be very appreciative
12 to try to know that they're doing the right thing and
13 addressing all the issues with their studies that you
14 all think is important. So I guess we'll go through
15 them one by one just real quick.

16 Sean, for geology and soil?

17 MR. O'NEILL: Sure. Okay. The applicant
18 proposes to conduct a geology and soil evaluation and
19 to identify potential geologic hazards and soil
20 instabilities.

21 MR. TUST: For Aquatic Resources, the
22 applicant proposes to characterize benthic
23 macroinvertebrate communities and aquatic habitat in
24 the source waters and identify the potential project
25 effects on aquatic resources.

1 Now I wanted to clarify, because of the
2 fish screen going in, you're not currently proposing
3 to do fish population studies, right, Carl?

4 MR. BORGQUIST: We're not doing them, but
5 the landowner and Fish, Wildlife & Parks are
6 cooperating to do them. Again, just to make this
7 line clear, our project starts behind the fish
8 screen, but we are encouraging and cooperating with
9 Fish, Wildlife & Parks and the landowner to get that
10 done, get those studies accomplished.

11 MR. TUST: Thank you. Terrestrial
12 Resources. Dianne?

13 MS. RODMAN: Okay. The applicant
14 proposes to identify the types of abundance and
15 distribution of wetlands and riparian habitats and
16 other plant communities within the project boundary,
17 including along the proposed transmission line
18 right-of-way, and to quantify the potential project
19 effects on vegetation.

20 The applicant also proposes to identify
21 use by raptors, waterfowl and other wildlife by
22 season and habitat type, evaluate species presence
23 and habitat quality for federal candidate species and
24 birds protected under the Bald and Golden Eagle
25 Protection Act and the Migratory Bird Treaty Act, and

1 quantity the potential project effects on wildlife
2 resources. Is that a fair characterization? Okay.

3 There are no studies proposed for
4 threatened and endangered species at this time.

5 MR. TUST: Okay. We'll move on to
6 recreational land use.

7 The applicant proposes to identify
8 recreational and land use resources and needs in the
9 project area and evaluate the effects of the
10 construction, operation and maintenance on those
11 resources.

12 For cultural resources they plan to
13 conduct a Class III cultural resource inventory of
14 the Area of Potential Effect and a traditional
15 cultural properties study to locate and document all
16 cultural resources and traditional cultural
17 properties and determine their eligibility for
18 inclusion in the National Register of Historic
19 Places.

20 I didn't know if Suzanne or Carl wanted
21 to just give those in the audience that aren't aware
22 of what a Class III cultural resource inventory is,
23 just to have a brief -- Suzanne, did you want to...

24 MS. NOVAK: Okay, sure. A Class III
25 cultural resource study would be an on-the-ground

1 survey, where you actually go out and survey the
2 area, set up transects, survey those transects maybe
3 every -- it depends, but, you know, every 30 feet,
4 every 50 feet, whatever, and see what you come up
5 with.

6 And traditional cultural properties are
7 areas with cultural significance to tribes and, it
8 could be of a religious significance or other
9 cultural significance.

10 Those areas don't necessarily need to be
11 within the project boundaries. These are areas that
12 could be affected by the project being there, you
13 know, areas outside the project boundary.

14 MR. TUST: Thank you.

15 MS. NOVAK: Does that help?

16 MR. TUST: Yes. Does anybody have
17 questions on that? Thank you, Suzanne.

18 For aesthetic resources, the applicant
19 proposes to quantify and qualify the existing visual
20 quality of the project area and analyze potential
21 visual effects of putting up the project, of
22 constructing a project. We kind of talked about that
23 earlier.

24 For socioeconomics, they propose to
25 evaluate the effects of project construction and

1 operation on local and regional economy, local social
2 conditions, goods and services. And --

3 MR. O'NEILL: And no studies are proposed
4 at this time for air quality.

5 MR. TUST: So if anybody has any feedback
6 on the studies being proposed by the applicant,
7 please speak up now, or you can always comment later.

8 Okay. So at this point, I'd like to have
9 people that want to come up and speak that have
10 requested to, feel free to do that now. Starting
11 with -- we'll have Dan Lloyd from the governor's
12 office.

13 Are you here, Dan.

14 MR. LLOYD: Yeah. I'll try to stand so I
15 can face most everybody here. And I'm reading a
16 letter on behalf of my boss, John Rodgers, who's the
17 chief business development officer for Governor
18 Bullock.

19 And he says, "I am writing this letter in
20 support of the Gordon Butte Pumped Storage Hydro
21 Project, currently in the licensing process
22 undertaken by Montana-based Absaroka Energy through
23 its single purpose subsidiary, GB Energy Park LLC. I
24 understand that the Commission has agreed to early
25 scoping under the National Environmental Policy Act

1 review for this project, and I support FERC in this
2 decision.

3 The Governor's Office of Economic
4 Development and other State of Montana agencies have
5 worked closely with Absaroka Energy to facilitate the
6 responsible development of the project. It is clear
7 that Absaroka Energy began consulting with the
8 relevant state and federal agencies early and has
9 maintained an open dialogue throughout the
10 development process. In the course of these
11 discussions, they have built solid relationships with
12 staff identifying potential issues and concerns,
13 consulting on other plans and defining the scope of
14 the NEPA review.

15 Some of the nation's best sources of
16 renewable energy are available in the Montana, yet
17 the full potential of these resources have yet to be
18 realized. As we continue to expand this important
19 industry, I believe the building of a modern,
20 fast-acting pumped storage hydro facility will help
21 integrate renewable energy resources onto the
22 regional transmission grid, catalyze the development
23 of new generation projects, and preserve and optimize
24 our existing transmission infrastructure.

25 If approved and developed, the project

1 would result in hundreds of high-wage permanent
2 positions, and generate sustainable tax revenue. The
3 project would inject economic life into rural Montana
4 and provide further economic development
5 opportunities around the state.

6 The State of Montana is committed to
7 properly permitting, monitoring and reviewing the
8 project to ensure that it complies with all federal
9 and state law and protects Montana's natural,
10 cultural and economic resources. If my office may
11 assist the Commission in any way, please let me know.

12 Sincerely John Rodgers."

13 Thank you.

14 MR. TUST: Okay. So Peter?

15 MR. TOLLVAISA: Yes, sir.

16 MR. TUST: Oh, I'm sorry, we can do Peter
17 first, that's fine. Peter, if you would like to come
18 up and talk, like you had mentioned that you wanted
19 to come and make a statement.

20 MR. TOLLVAISA: Thanks very much. At
21 this time I would like to let other people talk.

22 MR. TUST: Okay.

23 So Kennden Culp for Senator John Walsh?

24 MR. CULP: I'll stand over here as well,
25 it seems like a good spot. My name is Kennden Culp,

1 I work for U.S. Senator John Walsh and I'm reading a
2 letter on his behalf.

3 "Friends, I would like to thank everyone
4 for attending today's meeting and would like to voice
5 my support for the Gordon Butte Pump Storage Hydro
6 Project. Montana has the potential to lead our
7 nation to energy independence with our all of the
8 above energy projection strategy, including our vast
9 untapped wind energy resources.

10 The Gordon Butte Pump Storage Hydro
11 Project will allow Montana to expand wind energy
12 production and increase grid efficiency. Absaroka
13 Energy has proven to be a responsible developer and
14 strong partner throughout this process.

15 I have reviewed this scoping document and
16 strongly believe this project is ready to move
17 forward. The ability to firm and store our energy
18 resources will strengthen our existing energy
19 infrastructure in Montana and throughout the
20 northwest.

21 In addition to increasing our renewable
22 energy portfolio, this project will bring many good
23 paying long-term jobs to Meagher County, an area that
24 has recently struggled with economic isolation, and
25 make Montana more attractive for future wind energy

1 development. This project will give central Montana
2 the investment it needs.

3 I am very much in support of this
4 project, which will increase renewable energy
5 production and bring good jobs to Montana. Please
6 reach out to me or my office with any further
7 questions or concerns you may have regarding the
8 Gordon Butte Pump Storage Hydro Project. Please keep
9 in touch.

10 Sincerely, John Walsh."

11 And I'll submit this through your on-line
12 portal.

13 MR. TUST: Next, we have Brian Spangler
14 from DEQ Renewable Energy.

15 MR. SPANGLER: I'm Brian Spangler. I'm
16 the manager of Renewable Energy, a program at the
17 DEQ. We're non regulatory, it's the state energy
18 office located at DEQ. Build strong partnerships,
19 not outside of the DEQ, but inside the DEQ working
20 with the regulatory folks. And I just wanted to get
21 up and say that we support the letter that the
22 governor's office is submitting. And our director
23 did submit a letter directly to FERC on the project,
24 too. Thanks.

25 MR. TUST: Thank you.

1 Next, we have Jim Darling from Montana
2 Fish, Wildlife & Parks.

3 MR. DARLING: Thank you. Pretty rarified
4 atmosphere here. Mine is more technical in scope
5 here than gubernatorial.

6 So this is -- we've been working closely
7 with GB Energy Park and the folks there, and this may
8 just be a little more specific comments that we
9 haven't delivered before.

10 We just are requesting that our instream
11 flow water rights be met for any time the diversion
12 occurs in the following locations with corresponding
13 flow rates, and that's 16 cubic feet per second, or
14 CFS, at or near the mouth of Cottonwood Creek, the
15 point measurement at a particular point which I'll
16 clarify Montana Highway 294, or some point
17 downstream, which would be an acceptable location, 30
18 CFS at the South Fork of the Musselshell River below
19 the Martinsdale Reservoir Diversion Dam. This flow
20 could be calculated instead of directly measured,
21 using the USGS station at the South Fork Musselshell
22 River near Martinsdale. And that one, I guess, is
23 set to resume operation in October. And realtime
24 data collected on the Martinsdale inlet canal by
25 DNRC, and 80 CFS in the Musselshell River below Dead

1 Man's Basin Diversion Dam. The U.S. DS station,
2 blah, blah, blah, Musselshell River, blah, blah,
3 Above Mud Creek near Shawmut, Montana would be an
4 appropriate measuring point.

5 And in the event that Gordon Butte
6 decides to change existing water rights to provide
7 the project water supply, existing steam flow
8 conditions should be preserved and ideally will be
9 improved as part of the project. And again, we had
10 these conversations before.

11 Under fish and aquatic resources, we
12 desire to continue discussions with respect to the
13 design and installation of the fish screen and
14 diversion dam on Cottonwood Creek. Of particular
15 concern is the ability of fish that are bypassed
16 through the fish screen to move back upstream over
17 the diversion structure.

18 And I'm a fish guy here representing
19 wildlife and botanical resources, so it's a little
20 out of my league, but the recommendations with
21 respect to mule deer winter range and migratory birds
22 that were described in our October 13th, 2013 letter
23 are still applicable and should be addressed in the
24 licensing process. So we'll submit something else as
25 well.

1 DR. HILL: Any comments? If you want
2 them attached, you can give them to the court
3 reporter to put into the record, too.

4 Carl, did you want to say something else?
5 Did you want to make a separate statement?

6 MR. BORGQUIST: Nope.

7 DR. HILL: Okay, good. I just saw that
8 you were a speaker, and, Peter, did you have any
9 followup?

10 MR. TOLLVAISA: Peter Tollvaise, I am
11 very concerned that my property, being so close to
12 this project, is basically being ignored in these
13 studies. I'm the little guy. I like to drink water,
14 clean water, I like to have water so my fields have
15 some water and my place doesn't turn into a
16 tinderbox. Since I'm not part of an \$800 million
17 project, I want drinking water, that's it. Let me
18 have some water so I can have clean water.

19 Thank you, ma'am.

20 DR. HILL: Okay.

21 MR. TUST: Anybody that wants to make a
22 comment at this time or a statement? You didn't have
23 to indicate that at the beginning, you can do that
24 now if you want to. Okay.

25 So moving along with the scoping doc on

1 page 16, we have some of the information that we're
2 requesting from you all, either at this meeting or at
3 the next meeting or subsequent weeks after. The
4 we're kind of information we're looking for is just
5 local knowledge, literature, other environmental
6 assessments that you know of, other projects in the
7 area, anything that can help us form the issues that
8 we need to address in our EA would be greatly
9 appreciated. Anything that can be put into our
10 evaluation of the environmental baseline of the
11 project area, anything that can contribute to our
12 cumulative effects analysis and any Federal, State or
13 local resource plans that you know of, or project
14 proposals that you know of that we haven't identified
15 yet, please bring that to our attention in the next
16 coming weeks. We'd ask that you please submit your
17 comments by July 25th on this scoping document.

18 After conclusion of tonight's meeting,
19 we'll gather the information we've collected today
20 and tonight, and if there are changes we need to make
21 to our scoping document, we may issue a scoping
22 document 2, it's basically an informational document
23 to show you how we addressed the comments and
24 included additional issues that were raised.

25 And then, of course, once we have the EA

1 filed, you'll have an opportunity to comment on that.

2 In addition, once the license application
3 is filed and we're evaluating the application and we
4 issue our ready for environmental analysis, you'll
5 also have additional opportunities to comment with
6 us.

7 So, like I said, the deadline for
8 commenting on this scoping document is no later than
9 July 25th. You can file your comments online, like I
10 said, on the eComment under FERC.gov documents and
11 filing under eComments you can submit online, or you
12 can submit by mail. Page 17 has the address that you
13 need to send those comments to.

14 And, again, I urge you to go online if
15 you're really interested in the project and you want
16 to be kept informed to eSubscribe. You can take
17 advantage of that tool so that you can receive the
18 e-mail notifications when any filings come in. And
19 also, if you would like to be added to the mailing
20 list, page 22, I believe, has information on that.
21 It's also on our website if you want to be added; if
22 you don't see yourself here on this list and you want
23 to be added.

24 So one thing I also wanted to mention
25 before we look at the proposed schedule is

1 comprehensive plans. Well, we can do the proposed
2 schedule first since it comes up first in the scoping
3 doc.

4 So right now, we're on page 18 and we're
5 looking at the preliminary schedule we've come up
6 with for our EA. And, again, it starts with the
7 scoping meetings we're having this month,
8 specifically today. If a scoping document 2 is
9 necessary, we'll issue it in August after we give
10 everybody an opportunity to submit their comments.

11 The project license application is
12 expected to be filed in September of 2015. The
13 applicant may submit a draft license application
14 beforehand, but that's up to them whether they want
15 to provide that, but we encourage that so that you
16 guys have the ability to provide comments beforehand.
17 But in any event, the licensing application is set to
18 be filed in September of 2015. We'll evaluate the
19 license application for adequacy and we'll also look
20 at whether we have all the information we need to do
21 our environmental analysis.

22 If we do have a good application, then
23 we'll issue an REA, which is ready for environmental
24 analysis notice. You'll have the ability to comment
25 on that as well. Note that this date may shift if we

1 have additional information requests or if we have
2 additional study requests that come in. But this is
3 a preliminary schedule as it stands today.

4 Once the REA notice is issued, the
5 deadline for filing comments, recommendations and
6 terms and conditions from agencies and prescriptions
7 from agencies is January 2016. Once we have all
8 comments, we'll issue a draft EA, which is set for
9 July 2016 as it stands today. We'll have a 30-day
10 comment period with comments due two months after
11 that in August. And the final EA set to be issued in
12 January 2017.

13 So any comments on the proposed schedule?

14 MR. BORGQUIST: I have a comment.

15 MR. TUST: Sure.

16 MR. BORGQUIST: We hope to expedite those
17 dates significantly. And I think we've talked about
18 that with all of you in the past. I just want to
19 officially say it so it's on the record.

20 One of our exhibits lays out the schedule
21 that we proposed and the schedule that we're hoping
22 to achieve. That will be part of the transmission
23 that we give in terms of identifying the exhibits
24 that were up here today. And if anybody has any
25 thoughts or questions about that, you can come up

1 after the meeting and take a look at what we're
2 thinking in terms of the schedule. But I just wanted
3 to say we're hoping to move the process faster.

4 MR. TUST: Right. And like I said, this
5 is a preliminary schedule as it stands; it can be
6 shifted, depending on the information we get in the
7 application.

8 MR. BORGQUIST: Yes, sir.

9 A VOICE: Will the July 25th deadline be
10 changed?

11 MR. BORGQUIST: No, I don't mean to
12 answer, I should have answered that.

13 MR. TUST: Yeah. No.

14 DR. HILL: That's a comment.

15 MR. TUST: That's a comment.

16 DR. HILL: That being said, any time
17 anyone has something to say on the record, people
18 usually tend to file it, and that's fine, we'll
19 consider it if we have time to consider it for that
20 document. But if not, it will be the record for the
21 subsequent documents that are issued.

22 MR. TUST: Yes, Peter?

23 MR. TOLLVAISA: Will the comments in this
24 transcript today serve as stuff that has to be for
25 the comments written by July 25th? Now, will this

1 transcript serve that?

2 DR. HILL: Yes.

3 MR. TOLLVAISA: Thank you, ma'am.

4 MR. TUST: So on page 19 and 20, we have
5 our proposed EA outline. You guys can take a look at
6 that, see if there's anything that we missed. It
7 follows a pretty standard format that we use.

8 Page 21, Comprehensive Plans, I wanted to
9 touch on. Section 10(a)(2) is the Federal Power Act
10 requires FERC to consider the extent to which a
11 project is consistent with certain federal and state
12 comprehensive plans for improving, developing and
13 conserving a waterway. These plans are filed with
14 FERC and there's a master list that's online and
15 available.

16 We took a subset of the plans that are
17 currently filed with the State of Montana. And this
18 list that we have here on page 21 and 22 are the
19 subset that we felt may be appropriate to this
20 project. But, of course, if any of you have
21 additional comprehensive plans that you think we
22 should evaluate from the master list, you can take a
23 look at that list and let us know.

24 Additionally, if there's any plans that
25 are not on that list currently and you would like to

1 have them added, there's a system for having them
2 filed with the Commission. And you can see that link
3 there at the bottom of the top paragraph on page 21.
4 You can follow the instructions on that for actually
5 filing a plan to have it included on the list. So
6 just let us know if there's any plans that you feel
7 we need to evaluate to see if the project is
8 consistent with that.

9 Any comments on that? Any additional
10 comments, issues, opinions to be raised at this time?

11 Yes, Peter?

12 MR. TOLLVAISA: Peter Tollvaise, 2262
13 State Highway 294, Martinsdale.

14 I don't know how to -- that picture up
15 there showing the road and everything, with that
16 reservoir embankment on the right-hand side, even if
17 it is above grade, will it be able to be seen from
18 the road as -- the picture on the left, it is not
19 visible. The picture on the right, the embankment is
20 visible. And --

21 MR. BORGQUIST: Mr. Tollvaise, I'm not
22 sure I understand your question, I'm sorry. What are
23 you asking?

24 MR. TOLLVAISA: On the site lines, even
25 if the embankment on the right-hand side, the lower

1 reservoir is above grade, will it be visible on that
2 picture from the road?

3 MR. BORGQUIST: Well, let me see if I'm
4 answering the question. You're getting a view from
5 the road. You're getting a view from the road
6 essentially right in here. Looking at the embankment
7 between the two existing pieces of topography, as Mr.
8 Weber said, are going to be filled in to enclose and
9 create that lower reservoir. So you can see one of
10 those is very straight and level, as you kind of look
11 across, that's the saddle that he mentioned.

12 Does that answer your question?

13 MR. TOLLVAISA: Yes, sir.

14 MR. BORGQUIST: Okay, thank you.

15 MR. TOLLVAISA: I have a question.

16 Absaroka Energy is leasing the property from the 71.
17 Is Absaroka Energy always going to be involved? Like
18 what are the terms of the lease if Absaroka Energy
19 does not stay with this project? What's going to
20 happen?

21 The other thing I'd like that's not -- I
22 am very -- this is the first type of this project
23 built in the United States; is that true, sir?

24 MR. BORGQUIST: No.

25 MR. TOLLVAISA: This is a controversial

1 thing. Can these upper and lower reservoirs be
2 utilized as a cooling system for a nuclear power
3 plant?

4 MR. BORGQUIST: I'm going to let you
5 tackle that one, and I'll be happy to jump in.

6 DR. HILL: All right. Can the water be
7 used to cool? I suppose one could design it that
8 way, I don't know if that would be the most efficient
9 way to design it.

10 There are a number of pump storage plants
11 that have been built in the United States. Some of
12 them are built in tandem with nuclear plants, but
13 mainly to shift the electrons, as Carl was talking
14 about, to take that then steady amount of electricity
15 that's coming out and take, say, nighttime energy,
16 and pump the water up and take daytime energy,
17 augment the grid when people are using energy the
18 most. So that's usually where we've seeing it in
19 tandem with a nuclear plant.

20 MR. BORGQUIST: And if I can just add,
21 the tandem is not a physical tandem, it's a company
22 that says I'm going to build a nuclear plant, I have
23 to keep it running at night, what am I going to do?
24 I can't shut it down at night, I have to keep it
25 running. I can't turn it off.

1 So somewhere, someplace else I have to
2 have some ability to store that energy, and the pump
3 storage is developed to be in tandem with the nuclear
4 project in its business operation in order to have a
5 place to store that energy.

6 We have absolutely no plans, there will
7 not be a nuclear facility anywhere associated with,
8 connected to, period, this facility.

9 This is a pump storage facility, it's
10 going to do just what we said it was going to do;
11 nothing more, nothing less.

12 MR. TOLLVAISA: Thank you, sir.

13 MR. TUST: Any additional comments?

14 All right. Well, with that, we'll close
15 the meeting. You have the information there. My
16 information is on the first page, and feel free to
17 give me a call if you have any questions on the
18 licensing. We can certainly talk. And feel free to
19 submit your comments up to the 25th, and then as the
20 project moves forward.

21 Thank you.

22 (The meeting was adjourned at 11:00 a.m.)

23

24

25

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
6
7 Red Lion Colonial Hotel
8 2301 Colonial Drive
9 Helena, Montana 59601
10
11 Wednesday, June 25, 2014
12 9:00 a.m. (MDT)
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PRESENT FOR THE FEDERAL ENERGY REGULATORY COMMISSION:

Jennifer Hill - Chief, Northwest Branch Division,
Hydropower Licensing

Michael Tust - Fish Biologist/License Coordination

Dianne Rodman - Terrestrial Biologist

Sean O'Neill - Project Engineer

Cleo Deschamps - Attorney-Advisor

Suzanne Novak - Recreation Specialist
(via telephone)

PRESENT FOR ABSAROKA ENERGY LLC:

Carl E. Borgquist - President & CEO

Rhett Hurless - Senior Vice President,
Technical/Engineering Development

1 PROCEEDINGS:

2 MR. TUST: We'll get started. Welcome to
3 the first of two scoping meetings for the proposed
4 Gordon Butte Pumped Storage Project to be located in
5 Meagher County, about three miles west of the city of
6 Martinsdale.

7 I'm Mark Tust, I'm a fish biologist with
8 the Federal Energy and Regulatory Commission, or FERC
9 for short. In addition to handling the aquatics and
10 fisheries issues on the project, I'll also be
11 coordinating the licensing.

12 With me today, I have other members of
13 the team: Dianne Rodman, a terrestrial biologist,
14 she'll be handling the terrestrial resource issues,
15 vegetation issues, and certain endangered species.
16 Sean O'Neill, our project engineer, he'll be handling
17 the geologic and soil resource issues, air quality,
18 as well as reviewing project maps and other exhibits.

19 On the phone we have Suzanne Novak, who
20 is our recreation specialist; so she'll be handling
21 recreation and land use issues, socioeconomics and
22 cultural resource issues in addition to aesthetics.
23 And we also have with us -- where is Cleo?

24 MS. RODMAN: She's not here.

25 MR. TUST: Okay. Well, we have Cleo

1 Deschamps, she's our attorney. She'll be coming in
2 soon. Don't get excited, she's just here to observe.

3 And last, but certainly not least, our
4 boss, we have Jennifer Hill, who's the chief of the
5 Northwest Branch Division of Hydropower Licensing.
6 We're all based in Washington D.C.

7 And to my left, you'll notice we have our
8 court reporter, Denise Nowak, who will be recording
9 today's discussion. This meeting will all be part of
10 the project record and will be posted on our eLibrary
11 website. ELibrary is our repository for all of the
12 documents filed for the project. You can access that
13 on our website at FERC.gov. Under documents and
14 filings, there's a link for eLibrary. You can peruse
15 that to look at all the previous filings for the
16 project and any new filings that come in. Feel free
17 to look at that.

18 I also want to mention under that
19 documents and filings tab, there is an eComment
20 button. For any comments that you want to submit
21 that you don't bring to us today, you can go online
22 and submit them on that. And also there is
23 eSubscription, where if you would like to be kept
24 abreast of all the filings that are filed with the
25 Commission related to this project, the project

1 number is 13T-13462, so you can register for that and
2 get e-mail notifications whenever a new document has
3 been filed. Granted, you're going to get everything,
4 so just keep that in mind, but if you do want to stay
5 informed, we encourage you to register for that. You
6 can also periodically check the eLibrary if you'd
7 rather not have e-mails sent to you all the time.

8 By the way, if anybody has not signed in,
9 we really encourage you to sign in so that we can get
10 your name and make sure we account for everybody
11 that's here. If you comment today, we would like to
12 be able to know who commented. And it will help the
13 court reporter as well, if you do comment during the
14 meetings, to state your name, and maybe for the first
15 time to spell out your name so that she can write it
16 in the first time, and that way we can move on from
17 there.

18 If you turn to the back of the scoping
19 doc that we have -- we have copies of that in the
20 back if you haven't brought them with you -- we have
21 our mailing list starting on page 22. If you notice
22 that you're not on this mailing list and you'd like
23 to be, there's a way to be added to the list. And
24 there's directions there under 10.0, you can go onto
25 our website and register to be on the mailing list so

1 you can receive that as well.

2 There will be plenty of opportunities to
3 comment today. One is obviously through the actual
4 discussion that will be reported through our court
5 reporter, and it will be available on our website
6 about two weeks after today. If you feel the need
7 that you would want the transcript ahead of time,
8 feel free to talk to Denise after the meeting and she
9 can arrange that for you. Again, it's going to be a
10 per page charge. But, again, after two weeks, the
11 transcript will be available on our eLibrary system
12 under the project number 13642.

13 So with that, is everybody aware of what
14 FERC is and what we do? Or how about a show of hands
15 for folks that aren't aware of what we do.

16 (Hands waving.)

17 MR. TUST: Okay, that's fine. Well,
18 we're an independent regulatory agency. We regulate
19 the interstate transmission of electricity, natural
20 gas and oil, but we also review proposals to build
21 natural gas pipelines and provide natural gas
22 terminals, and obviously license hydropower projects,
23 such as the Gordon Butte Pumped Storage Project.

24 Now hydro licensing is done out of the
25 office of energy projects, and the office is made up

1 of six regional branches specifically for licensing
2 hydropower projects. We are all out of the northwest
3 branch. And the applicant, Gordon Butte Energy Park,
4 has requested to use our traditional licensing
5 process. There are three: There's the traditional
6 alternative and integrated licensing process. Our
7 default is integrated licensing, but we used to have
8 the traditional as being our default, and I'll kind
9 of go over a little bit of the differences.

10 Under the traditional licensing process,
11 the applicant submits their notice of intent and
12 pre-application document, which they did, I believe
13 on April 29th of 2013.

14 MR. BORGQUIST: Yes, sir.

15 MR. TUST: And it's really where the
16 applicants pretty much coordinate with the agencies
17 and the stakeholders and public and develop their
18 studies with input, and actually performs their
19 studies to be the basis for their license application
20 that they will then file with us, and that's when we
21 would get involved.

22 Under the integrated licensing process,
23 we have much more extensive involvement at what we
24 call the pre-filing stage before they would issue
25 their license application. And there's also certain

1 hard deadlines that everyone has to meet, but, again,
2 those are kind of the differences between the two.

3 So we are working under the traditional
4 licensing process, they have not issued a license
5 application yet, we anticipate that in September of
6 2015. And once that occurs, we'll review the license
7 application for any deficiencies and pretty much move
8 to the stage where we could begin to be ready for
9 environmental analysis and draft our NEPA document,
10 NEPA being National Environmental Policy Act.

11 And that's why we're here today. We were
12 asked to do early NEPA scoping. Normally we're not
13 involved at this stage. Normally we're doing scoping
14 after the license application is filed. But the
15 applicant has asked us to do early scoping to try to
16 iron out the issues a little bit ahead of time, so
17 that's why we're here today.

18 So we encourage a lot of back and forth.
19 Any information you want to bring to us, we conduct
20 scoping like this to hear from you and to be able to
21 form our issues that we're going to actually evaluate
22 in our environmental document. Right now we
23 anticipate doing a draft and final environmental
24 assessment, but it could turn into an environmental
25 impact statement if enough of the issues -- or if

1 there's a need for it down the road. And we'll make
2 that determination after the application is filed.

3 So I wanted to kind of touch on a little
4 bit more about why we're here today. With scoping,
5 we're really, like I said, trying to form the issues
6 that we really need to touch on in our environmental
7 document. We want to make sure that our assessment
8 is fair and justified, and we want to make sure that
9 we're hitting on all the issues that are important to
10 you all. So we invite you to speak to us today,
11 speak to us after, provide written comments after.

12 Some of the things that we asked for, we
13 want to get a sense of what you think the depth of
14 our analysis should be on particular issues: What's
15 their significance. We want to know if there's
16 anything that you could provide to us to help us with
17 our cumulative effects analysis, or for any of the
18 major resource issues involved. We want to make sure
19 that we are evaluating all the reasonable
20 alternatives, because under NEPA we have to evaluate
21 alternatives to the projects in addition to the
22 proposed action that they're proposing. So any
23 reasonable alternatives that you want us to consider,
24 we'll take that in to account. And if there are any
25 issues that we identified that you don't think we

1 should be analyzing, that's also input that you can
2 give us right now today.

3 We'll also have a second meeting later
4 today at 6:00 p.m. at the Martinsdale Community
5 Center in Martinsdale, and we'll also have a site
6 visit. We're going to meet at the community center
7 where we're going to have the evening meeting at 2:00
8 p.m. this afternoon, so if you'd like to come along
9 with us to go see the site, I encourage you to do
10 that as well.

11 So with that, I'll turn it to Carl
12 Borgquist and his team to give a presentation on the
13 project and where it stands today.

14 MR. BORGQUIST: Thank you very much.
15 Thank you all for coming.

16 I want to start by taking a minute to
17 introduce some folks that I have brought with me that
18 are working on the project both internally as
19 employees and also key consultants here.

20 So first of all, Rhett Hurless and the
21 folks that came with us, if you just raise your hands
22 so people can identify you. Rhett Hurless is our
23 project manager. Eli Bailey is our assistant project
24 manager. I am Carl Borgquist, I have run Absaroka
25 Energy and Gordon Butte Energy Park. GB Energy Park,

1 LLC is a single purpose entity we created to
2 prosecute the development of the Gordon Butte Pump
3 Storage facility.

4 We also have as consultants with us,
5 sitting up here I have Steve Padula from McMillen, he
6 helps us with FERC licensing issues. I have Martin
7 Weber, Marty Weber from Stanley Consultants. Stanley
8 Consultants is our owner's engineer. I have Kevin
9 Schneider from Barnard Construction. Barnard is a
10 Montana based major construction company with a lot
11 of experience in hydro development. Our expectation
12 is that they will be the EPC contractor for this
13 project. Steve Laufenberg is up front. Steve is
14 with Cobb Crest, and Steve is working on
15 socioeconomic, recreational, cultural historical
16 issues as part of our studies. Pam Spinelli is in
17 the back, she's raising her hand back there. She's
18 with Garcia and Associates. Garcia is doing
19 essentially our wildlife analysis for the project.
20 And Leanne Roulson, I can't see where she is back
21 there, she's with Hydro Solutions. Hydro Solutions
22 is studying water and aquatic and fish issues related
23 to the project.

24 So that's the group that I have here. If
25 you all have any questions on those particular

1 subject areas, they would be happy to entertain those
2 questions and help you understand what the project is
3 all about.

4 I'm going to give you a brief overview.
5 I know a lot of you have heard about the project,
6 probably understand a lot about it, but for purposes
7 of the meeting and the record, let me just start by
8 giving you an overview.

9 This project is indented to build a
10 closed loop pump storage facility. What do I mean by
11 closed loop? I mean that we will not be interjecting
12 this project in to any existing waterway or reservoir
13 or lake. The image that I have up here is a Google
14 image of the two reservoirs, upper and lower, against
15 Gordon Butte. These reservoirs, as many of you know,
16 do not exist now. There's nothing but dry fields out
17 there, but this is what we're intending to build.

18 Those two reservoirs will be connected
19 with approximately an 18-foot penstock and tunnel
20 that will allow water to pass back and forth between
21 the upper and lower reservoirs. The reservoirs will
22 be earthen bank and roller compacted concrete. They
23 will be lined and tested. There's no discharge out
24 of these reservoirs, there's nothing we're going to
25 introduce into the reservoirs, the water is simply a

1 to interconnect this power station to the radar
2 electrical grid. In a moment I'll get to the purpose
3 of that connection in the power station's role in the
4 grid. But that connection will be out of the power
5 station and over to Cottonwood Road and back to the
6 500 KV Colstrip line where there will be a new
7 substation that will connect us into the 500 KV
8 backbone.

9 All of the project is on 71 Ranch
10 property. It's all on private property.

11 In terms of getting water to complete the
12 fill for the lower reservoir to start the operation
13 project, we will also, as many of you know, need a
14 little bit of makeup water over here to deal with
15 evaporation.

16 We will be using the 71 Ranch as an
17 existing diversion. As part of that diversion, we
18 will be helping the landowner install a
19 state-of-the-art fish screen that will keep fish out
20 of the water that goes down what is likely to be a
21 enclosed and covered pipe that will replace the 71
22 Ranch's open and unlined ditch that's feeding these
23 two pivots. So that will be replaced with a buried
24 pipe that will serve both the Ranch and allow us to
25 fill the lower reservoir to start the operation of

1 the project.

2 MR. TUST: That fish screen is on a non
3 project feature, correct?

4 MR. BORGQUIST: Yes, thank you. Our
5 project really starts behind the fish screen. The
6 fish screen will be installed and operated by the
7 landowner, although, as some of you in the audience
8 know, we've been talking to Fish, Wildlife & Parks
9 about their blessing the design and also the
10 installation of that, just to ensure that, in fact,
11 the fish screen will keep fish out of the pipe that
12 feeds the irrigation and filling of the lower
13 reservoir.

14 The project, equipment-wise, at this
15 point is configured to be four 100-megawatt units.
16 And here you see a cutaway of the stack of the
17 equipment, turbine, motor generator, and pump. A
18 short circuit arrangement allows us to both pump and
19 generate at the same time. And this is particularly
20 useful dealing with larger wind and renewable
21 resources on the grid. It allows us to respond
22 instantaneously to shifts in the grid so we can
23 either take electrons off the system or produce
24 electrons very quickly.

25 This is not theoretical equipment, this

1 is an actual cutaway of a project like the one we
2 want to build, it's in Austria, it's performing the
3 same service in the European grid. So lots of back
4 and forth between pumping and generating.

5 The purpose is not necessarily to produce
6 power, the purpose of this facility first is to act
7 as a shock absorber for the grid and allow utilities
8 to balance and manage our system without the system
9 crashing, the lights flickering or it becoming
10 unreliable. And this has become, as probably all of
11 you know, more and more of an issue as our generation
12 resources change and become more disbursed.

13 So in terms of the purpose of the
14 facility. The purpose really hits several key
15 important things:

16 First, the facility can act like a
17 battery. Let me give you a real world example from
18 Montana. We all know that Northwestern Energy is
19 contemplating the purchase of the PP&L's dams. Those
20 dams are run-of-the-river hydro. So in other words,
21 at night when we turn our lights off, those dams have
22 to be run because there are fish below the dams and
23 we have to keep the water flowing. What do we do
24 with the electricity that's produced during those off
25 peak hours? Well, a facility like this would allow

1 us to pump, take those electrons and run the pump
2 energy to the upper reservoir so that it can be
3 released during the day when there's higher demand
4 and more opportunity to use those electrons
5 officially.

6 The second thing I mentioned, the system,
7 because of its ability, because the equipment, is
8 very robust and able to move back and forth very
9 quickly. It's able to act as a shock absorber and
10 keep the system stable. And when you have large wind
11 assets coming on and off the grid, utility operators,
12 transmission operators will tell you it's becoming
13 increasingly difficult to keep the system healthy
14 when they have these instantaneous ramps up and down
15 of generation coming on and off the system.

16 The third is a kind of a multipurpose
17 utility tool. In other words, it can store, it can
18 do shock absorbing, but it can also wring out of our
19 system by filling holes in our transmission and
20 utilizing the assets we already have in the ground
21 better. It becomes an optimizer for the utility,
22 using it in terms of how it manages its entire
23 portfolio of assets.

24 From an economic perspective it's a
25 costly facility, though you won't see it because it

1 will be underneath the ground. There's a lot of
2 expensive equipment that will be in the ground, and
3 that's going to provide a lot of needed tax revenue
4 for a county that doesn't have a lot of economic
5 activity.

6 We expect there to be, over the course of
7 the of a three-year construction period, many
8 construction jobs associated with the project, about
9 350 at the maximum. Once the facility is in
10 operation, we're expecting about 20 to 24 permanent
11 jobs at an average salary of about 87,500. So from
12 Martinsdale, White Sulfur and Harlowton, Meagher
13 County, Wheaton County, this is a good influx of high
14 skill, highly paid capital and economic activity, not
15 to mention the other things that will be associated
16 with just keeping the facility clean, maintained,
17 functional, et cetera.

18 In terms of our process, FERC mentioned
19 we filed last year our notice to proceed and filed a
20 license. That was in late April of last year. We
21 had a joint meeting with FERC in Harlowton last
22 summer. We solicited comments, we received comments
23 from many agencies and went back out with those
24 agencies to coordinate and discuss concerns related
25 to mostly environmental issues. We developed study

1 plans, we have circulated those study plans with the
2 agencies, received comments and feedback, and had
3 that agency comment and feedback inform our
4 development of study plans that we proposed and filed
5 with FERC.

6 We also had the agencies and folks that
7 commented review what we proposed as a SD1 and took
8 input on that that we delivered to FERC. So we tried
9 to be very collaborative with the agencies about what
10 we're doing and get their input ahead of time in
11 terms of what studies we're going to perform related
12 to the project.

13 MR. TUST: Thanks, Carl. So at this
14 stage, we'll kind of get into the actual scoping
15 docs. So if you haven't picked a copy up, feel free
16 to grab up in the back so you can follow.

17 We'll start on page 6. Under National
18 Environmental Policy Act in our analysis, we're
19 required to, at a minimum, consider a no-action
20 alternative, the action that's proposed that Carl has
21 summarized and any other additional alternatives to
22 the proposed action that are appropriate. So I won't
23 get in to the specifics of the proposal, Carl did
24 that a few minutes ago.

25 So if we go to page 9 you'll see we have

1 a few proposed environmental measures listed here.
2 Now obviously this is a list that will be updated
3 once we have a license application. Once the
4 applicant has completed their studies and we have the
5 study results, we can incorporate the comments back
6 from the agencies and the stakeholders to find out
7 what types of measures need to be included in the
8 proposed action. So I won't go into too much detail
9 on this because this is, again, a work in progress at
10 this point, at this stage.

11 So we'll go to page 10, 3.3. So we left
12 this purposely vague. We don't have alternatives
13 that we've listed here right now. Again, this is an
14 early stage for scoping for us. But, again, we
15 recommend any of you that have information for us to
16 consider for alternatives to the project, please feel
17 free to comment either today or following the meeting
18 so that we can incorporate that into our analysis.

19 (Conferring) Thanks, Jen. So not only
20 alternatives to the actual project, but also
21 alternatives to certain measures that are proposed
22 either in the scoping doc right now or ones that come
23 up later in the process. So not just the project
24 itself, but actually also the environmental measures
25 in their proposal, feel free to provide us that

1 feedback.

2 So does anybody have a question at this
3 point before we move on to the cumulative effects and
4 resource issues? Okay, yes?

5 MR. TOLLVAISA: Peter Tollvaise, 2262
6 State Highway 294 in Martinsdale.

7 Looking at that picture, I do believe
8 last year at the Harlowton meeting, the lower
9 reservoir was going to be below grade.

10 Mr. Borgquist, is that's true?

11 MR. BORGQUIST: We had the lower
12 reservoir in a different location last year, and
13 after working with the landowner and our engineers,
14 we decided to move it to this location for reasons I
15 can go into if you're curious.

16 MR. TOLLVAISA: And that picture up there
17 shows that both reservoirs are full?

18 MR. BORGQUIST: That's right.

19 MR. TOLLVAISA: Now, during that project,
20 are both reservoirs are going to be filled or just
21 one at a time?

22 MR. BORGQUIST: No. It's a great
23 question, Peter. We'll fill the lower reservoir,
24 then the water will move back and forth between the
25 two. So it's always going to be some combination of

1 having water in one or the other, unless we're doing
2 maintenance for some reason and we've moved it to the
3 opposite reservoir.

4 MR. TOLLVAISA: Now, in the lower
5 reservoir on the right-hand side, what is the height
6 of the embankment? Because if it was going to be
7 below grade before and the design changed, now it's
8 above ground on the right-hand side, and I don't know
9 the height of that embankment.

10 MR. BORGQUIST: Actually let me just say
11 one thing. We modeled this with native grasses, so
12 if you look here, you can see the embankment is
13 really these two sections. The rest of it's been cut
14 into the hillside. So what you're looking at there,
15 the part that's straight that goes across, that's
16 stuff that is proposed to be constructed. The rest
17 it is the existing hill as it exists right now.

18 Does that make sense?

19 MR. TOLLVAISA: Ah, another question I
20 have: I don't know how these pictures are titled for
21 the record, that one there, does it show the existing
22 Gordon Butte wind project?

23 MR. BORGQUIST: I believe it does, Peter,
24 though I'd have to look carefully. But this is
25 certainly the road that was constructed to create --

1 and you can see the road came out here to these sites
2 where the turbines are located. I just can't tell,
3 without putting my glasses on, whether any part of
4 that is in that photograph or not.

5 MR. TOLLVAISA: Thank you, sir.

6 MR. BORGQUIST: Yes.

7 MR. TUST: Thanks. Anybody else at this
8 point? Okay.

9 So we'll move to cumulative effects, and
10 the effects that we've actually identified are
11 terrestrial resources. And I'll hand this over to
12 Dianne to give this part of the presentation.

13 MS. RODMAN: Right. Cumulative effects
14 would be the effects that the project has in
15 combination with other things that are happening on
16 the site or around the side. It's kind of the idea
17 that the project can be the straw on the camel's back
18 or it could be a beam on the camel's back.

19 What I've identified at the moment, the
20 one cumulative effect that I saw was terrestrial
21 resources, because the area of the project structure,
22 the two reservoirs, the Powerhouse and so forth,
23 would displace existing vegetation which would
24 provide habitat for wildlife. And the activities
25 within the watershed that the project may combine

1 with, would be the maintenance activities of the wind
2 farm and in the vicinity of the upper reservoir and
3 the agriculture activities near the lower reservoir.

4 The temporal scope that we are
5 considering would be 30 to 50 years in the future.
6 And our geographic scope would be the lower
7 Cottonwood Creek watershed. This is kind of a very
8 preliminary analysis.

9 So does anybody have any comments about
10 cumulative effects; either is this appropriate? Are
11 there other resources? Is my geographic scope way
12 off? Are there other activities in the area that we
13 were unaware of that may effect either terrestrial
14 resources or other resources in the area? I'd
15 welcome some input.

16 Yes, sir.

17 MR. TOLLVAISA: My name is Peter
18 Tollvaisa, 2262 State Highway 294. I am representing
19 Cottonwood Cabins, LLC.

20 My property is at the intersection of
21 Cottonwood Creek Road and 294. It is not really
22 listed on that picture up there. Will water flow
23 down Cottonwood Creek? And this fish screen is
24 something new for me, so now no fish will be allowed
25 down Cottonwood Creek? And I have a very old water

1 right and 71 is -- I mean this project, I don't know
2 how the water is going to be taken from Cottonwood
3 Creek or the amount. And I am very concerned if all
4 the water from Cottonwood Creek is diverted, either
5 for irrigation of the 71 or this closed energy
6 project, will water flow down Cottonwood Creek to me?
7 I have one cubic foot per second as a water right.

8 MS. RODMAN: All right.

9 MR. BORGQUIST: Would you like me to take
10 that?

11 MS. RODMAN: Probably.

12 MR. BORGQUIST: Sure, I'd be happy to.
13 There were several questions in there, I think,
14 Peter, so if I forget one of them, remind me. But
15 let's talk about the water first.

16 As you know, historically for a hundred
17 years, as near as I can tell, the 71 Ranch has
18 diverter water based on their water right to irrigate
19 the Ranch. And Cottonwood Creek, late in the summer
20 season, will be dry from the point of their diversion
21 down to the Musselshell which is below Highway 294.

22 We are working on trying to obtain the
23 right to take water during the runoff period when
24 there's excess water in the system, and that's the
25 approach we're taking. We're not growing any crops

1 so it's not necessary for us, we can pick and choose
2 the time we can take water, and take water out of the
3 system when it's most convenient.

4 We will also be taking water out of the
5 71 Ranch diversion, so we can't be completely
6 filling, or Errol completely -- we can't do multiple
7 things above and beyond the capacity of the diversion
8 in the ditch, which is we've estimated at 50 to 60
9 CFS. So either Errol is irrigating a part of or
10 we're filling, but we can't do both.

11 The fish screen is our assistance towards
12 Errol's diversion and towards the system to make sure
13 and enhance the system now so that fish don't get in
14 to the pipe and get into what would be our project.
15 Again, our project starts at the back of the fish
16 screen. The fish screen will be installed by Errol,
17 it will be operated by Errol, but we're obviously
18 helping with, encouraging, and doing this to
19 facilitate better resource use, best practices, in
20 what Errol is doing and what we'll be doing, getting
21 water into the lower reservoir.

22 But the bottom line on the water, Mr.
23 Tollvaissa, is that we can't mess with and affect the
24 priority dates and legal situation of that water.
25 We're going to have to take water at the runoff

1 period when nobody else wants it or needs it for
2 storage or growing something or whatever their right
3 associated with that water right is.

4 MR. TOLLVAISA: And the water right for
5 the 71 is, as you said, 50 to 60 cubic feet per
6 second?

7 MR. BORGQUIST: No, the water right is
8 more than that, but the ditch right now, we've
9 estimated and our experts have estimated, has a
10 carrying capacity of around 50 CFS. And the pipe
11 that we are planning to replace the ditch with would
12 have a carrying capacity of 50 CFS at this point.

13 MR. TOLLVAISA: That's a lot of water for
14 Cottonwood Creek. Now with this diversion point
15 causing basically the whole diversion of Cottonwood
16 Creek, will water come down Cottonwood Creek,
17 considering that 71 has a large water right and mine
18 is very small? Because with this, between the 71 and
19 Absaroka Energy, I do believe that Cottonwood Creek
20 could be basically eliminated if these rights are
21 fully exercised.

22 MR. BORGQUIST: Well, again, the 71 Ranch
23 has an existing and very old water right, as you
24 know --

25 MR. TOLLVAISA: As do I.

1 MR. BORGQUIST: -- it has historically
2 diverted at certain points of the year, they've
3 diverted the entire sum of Cottonwood Creek
4 consistent with that right. We can't mess with that
5 right, and we can't mess with your right, and we
6 can't mess with anybody else's right; we'll have to
7 fit into the existing system. And we know that there
8 are times of the year when there's excess water in
9 the system, and the excess water causes damage even;
10 so we are hoping to be a good neighbor and take the
11 water then.

12 We have three years, Mr. Tollvaissa, to
13 fill the lower reservoir, and so we can pick and
14 choose over that three-year period. At 50 CFS, we
15 need about 40 days over three years to accomplish the
16 fill. So we can pick and choose over three years
17 appropriate days, days where we don't create any
18 adverse impact to the other water right users and
19 holders in the system.

20 MR. TOLLVAISA: I just get very
21 concerned, because during the dry times, Cottonwood
22 Creek is totalled diverted from my property at 2263
23 State Highway 294. This complete diversion of
24 Cottonwood Creek, which causes my water, domestic, to
25 become turbid and red and clay, and I don't like

1 taking a shower with red water coming out of the
2 spigot. My drinking water -- I mean, one year my
3 pump went dry, and for one year, well, one summer, a
4 portion of it, I was hauling my domestic use water
5 from the 71 Ranch.

6 It makes me very upset, concerned, and
7 even mad when I'm having trouble with drinking water
8 at my property, and then I'm driving by the 71 and
9 I'm seeing all their pivots going full force. I have
10 no water, and this is why I'm very concerned about
11 this project allowing water down Cottonwood Creek for
12 my domestic purposes, i.e. drinking and bathing.

13 MR. BORGQUIST: Mr. Tollvaise, I don't
14 know anything about your well or your situation nor
15 the water on your property. I will tell you, again,
16 that we can't affect that. We can't change the water
17 rights -- holders in the basin and what water rights
18 they have, including -- I know that you have a right
19 that I can see in the records. I don't know if
20 you're using that right, but I can see it in the
21 records, but we can't change those water rights,
22 those priority dates, and the way the system
23 operates.

24 MR. TOLLVAISA: I understand the rights
25 themselves cannot be changed, but I would like water

1 down Cottonwood Creek in order to fulfill those
2 rights. And my right is only one cubic foot per
3 second, I do believe.

4 MR. BORGQUIST: You can make a call for
5 that water, as I understand it, but we can't affect
6 that for you. We can't do anything with your right
7 or anybody else's right.

8 MR. TOLLVAISA: Thank you, sir.

9 MS. RODMAN: Does anybody else have any
10 comments? Does anybody feel that terrestrial
11 resources are appropriate cumulative impact issue?
12 Again, are there other resources that could be
13 cumulatively affected by the development of the
14 project? Does anybody know of any, say, construction
15 projects or other activities, other than the wind
16 farm and the agricultural activities that we've
17 already identified, that could effect resources? No?

18 Okay, Mike.

19 MR. BORGQUIST: Okay, I see Ms. --
20 Dianne?

21 MS. RODMAN: Yeah.

22 MR. BORGQUIST: Could I just make a
23 comment?

24 MS. RODMAN: Sure.

25 MR. BORGQUIST: I just wanted to point

1 out that in an earlier iteration of the location of
2 the lower reservoir, we had the lower reservoir
3 essentially over in this area impacting this pivot.
4 It also, by the way, Mr. Tollvaise, was an impact for
5 you and for the Galts and everyone coming down the
6 highway, so the decision was made to move the
7 reservoir over. That got us out of the agricultural
8 area to reduce that impact. It also, I think,
9 improved the aesthetics of the project. As you can
10 see, that's visually less than what we had modeled
11 before when the lower reservoir was to the west. So
12 these were the decisions that we made to move the
13 reservoir to be a part of that issue you're raising
14 now.

15 MS. RODMAN: Okay, thank you.

16 MR. BORGQUIST: Yes.

17 MR. TOLLVAISA: Mr. Borgquist, on that
18 map, since it's so close, could you please show the
19 panel and the people here where my property is
20 located?

21 MR. BORGQUIST: I'm not exactly sure of
22 the boundaries, Mr. Tollvaise, but it's generally
23 over here.

24 MR. TOLLVAISA: Okay.

25 MR. BORGQUIST: Am I getting that right?

1 MR. TOLLVAISA: Yes, sir.

2 MR. BORGQUIST: All right.

3 MR. TOLLVAISA: And I have a question.

4 Why was my property not included in that picture for
5 informational purposes? It seems like everything is
6 skewed to the east of Gordon Butte and there's really
7 nothing there, and Cottonwood Creek is totally on the
8 right side of the Gordon Butte and it's not shown
9 there.

10 MR. BORGQUIST: I can tell you that where
11 your property was in location to this was not a
12 consideration in picking this. We wanted to make
13 sure to get Cottonwood Road over here, the road for
14 the wind farm over here, because -- this is something
15 I failed to mention by the way -- when I was
16 describing the project is we intended to construct a
17 temporary road between the lower reservoir and this
18 road that was used to construct the wind farm in
19 order to keep trucks and equipment and activity off
20 the highway so that we can go back and forth between
21 the two without getting on the highway. But where
22 your property was located wasn't a consideration in
23 producing that photograph or that mock-up.

24 MS. PHILLIPS: Was it a consideration in
25 the environmental impact study? It seemed like

1 anything below Cottonwood Creek should be considered
2 in the environmental impact.

3 MR. TUST: Can you record your name,
4 ma'am?

5 MS. PHILLIPS: I'm sorry. My name is
6 Becky Phillips from Martinsdale.

7 MR. TUST: Thank you.

8 MS. RODMAN: Ms. Phillips, this is Dianne
9 Rodman. When you say "below Cottonwood Creek", what
10 specifically are you looking at? Because we are
11 interested in geographic scope of our analysis.

12 MS. PHILLIPS: Well, there are several
13 ranches below Cottonwood that have environmental
14 issues that would obviously be related to the
15 drainage of Cottonwood Creek. I know historically
16 every year it gets to a trickle, but if this is going
17 to have any further impact, I think that should be
18 involved with the environmental impact statement.

19 MS. RODMAN: Are you talking about from,
20 I guess, perhaps the 71 Ranch diversion down to the
21 Musselshell River?

22 MS. PHILLIPS: Correct.

23 MS. RODMAN: Okay, great. I think for
24 cumulative effects that that's covered with the lower
25 Cottonwood Creek watershed.

1 MS. PHILLIPS: Okay.

2 MS. RODMAN: Yeah, that is just for
3 terrestrial resources and cumulative effects;
4 however, there is no reason why we can't consider
5 that.

6 MS. PHILLIPS: Okay.

7 MS. RODMAN: All right.

8 MR. TUST: Thank you. Any other
9 questions for cumulative effects? Any comments,
10 opinions on what we've covered so far? Okay.

11 MR. TOLLVAISA: I have a question. Peter
12 Tollvaisa, 2262 State Highway 294, Martinsdale. Will
13 this pipe from the diversion point to the reservoirs
14 have leakage in it or -- you know, just from the gaps
15 in the pipe, will water be able to leak out? And
16 water from these ponds, will it be able or could it
17 be used for irrigation on the 71?

18 If you're running a pipe all the way from
19 Cottonwood Creek down to these ponds, I don't know if
20 it's going to be plastic, concrete, the material of
21 the pipe used.

22 MR. BORGQUIST: Yeah, okay. We don't
23 know, Mr. Tollvaisa, exactly what material is going
24 to be used yet; we're still looking in to that.
25 Whether there will be any leaks, I doubt it. It's

1 possible for any pipe to leak, so it would be
2 disingenuous for me to tell you that there won't be
3 any leaks, but I think the intention is to be
4 efficient and put it into a pipe rather than having
5 it evaporate in this unlined ditch. That hopefully
6 will be another overall benefit to the system in
7 saving and being efficient and careful with water.

8 MR. TOLLVAISA: Will any water be able to
9 be used from the lower reservoir to service
10 irrigation?

11 MR. BORGQUIST: No.

12 MR. TOLLVAISA: What will happen to the
13 water if water needs to be drained out of that system
14 for any reason?

15 MR. BORGQUIST: If we need to do any work
16 on the lower reservoir, we'll just pump it up to the
17 upper reservoir and then we can do the repairs --

18 MR. TOLLVAISA: Okay.

19 MR. BORGQUIST: -- and inspections or
20 anything else we need to do. Uniquely, unlike many
21 other dams and hydro projects, we have this ability
22 to move the water out of the reservoir and work on
23 it, look at it, inspect it, take care of it and so
24 on.

25 MR. TOLLVAISA: From --

1 MR. BORGQUIST: Go ahead.

2 MR. TOLLVAISA: Another question
3 concerning water from Gordon Butte, this energy
4 project, all the way up to the Crazy Mountains, which
5 is where the water is supplied from: Is there any
6 method, measuring devices, installed there to
7 calculate the water flow? Weirs? Are there any?

8 MR. BORGQUIST: I don't know the answer
9 to that question. I'm looking to Rhett Hurless.

10 MR. HURLESS: No, there isn't.

11 MR. BORGQUIST: Okay.

12 MR. TOLLVAISA: Are there any plans to
13 install measuring devices on Cottonwood Creek Road to
14 monitor the flow rates?

15 MR. BORGQUIST: We have talked about that
16 in association with trying to figure out how to
17 obtain water without creating an impact to anybody,
18 but we haven't finalized those plans. We're still
19 trying to figure out how to prosecute that.

20 MR. TOLLVAISA: Thank you, sir.

21 MR. TUST: Okay. I think we'll move on
22 to the resource issues, starting on page 12 of the
23 Scoping Document 1. So this list is meant to be a
24 preliminary list of issues, I want to stress that.
25 At this stage these are the issues that we've

1 identified to be included in our analysis, and we'll
2 kind of go through them one by one, we'll kind of
3 leave a little time between each one so that you all
4 can comment if you want to.

5 So with that, I'll start with geologic
6 and soil resources. Sean?

7 MR. O'NEILL: Sean O'Neill from FERC. So
8 in terms of geology and soil resource issues that
9 we've identified are the effects of project
10 construction on erosion and sedimentation, especially
11 in areas that are prone to erosion.

12 MR. TUST: Any additional comments for
13 soil and geologic resources?

14 Yes?

15 MR. TOLLVAISA: Peter Tollvaise. Is
16 Absaroka Energy leasing or buying the property from
17 the 71 for this project?

18 MR. BORGQUIST: Leasing.

19 MR. TOLLVAISA: Will mineral rights be
20 included in this lease?

21 MR. BORGQUIST: I can't talk about the
22 terms of the lease at this point, but I feel
23 comfortable saying to you that, no, mineral rights
24 are not anticipated as part of the lease. The lease
25 will be just to build and operate the facility.

1 MR. TOLLVAISA: Thank you, sir.

2 MR. BORGQUIST: All right.

3 MR. TUST: Anyone else for geology and
4 soil resources? Okay, I'll do aquatic resources.

5 We're proposing to evaluate the effects
6 of the construction operation on water quality of the
7 project waters as well as Cottonwood Creek, the
8 effects of the initial water fill and the annual
9 make-up fills on other water uses in the vicinity of
10 the project and the effects of project construction
11 and operation on fisheries and aquatic resources in
12 project waters and Cottonwood Creek.

13 So any additional comments on that?

14 MR. TOLLVAISA: Peter Tollvaise. With
15 this water coming down, and there's the fish screen
16 going into the project, what's going to happen -- and
17 let's just say that Cottonwood Creek below the
18 project is fully diverted, what's going to happen to
19 the fish? I mean, are they going to come down? They
20 can't go down Cottonwood Creek because there's no
21 water, and then they hit the fish screen...

22 MR. TUST: Well, like Carl has said, I
23 mean as you have stated before, there are times of
24 the year when Cottonwood Creek is completely diverted
25 or down to a trickle. And in that sense, we can't

1 affect the existing water rights. So I believe that
2 any fish that were in that creek would either move
3 back upstream, if they could, or would suffer injury
4 and mortality from water being diverted.

5 MR. TOLLVAISA: Thank you, sir.

6 MR. BORGQUIST: Do you mind if I jump in?

7 MR. TUST: Yes.

8 MR. BORGQUIST: I'd like to make an
9 addition here. The way the fish screen operates is
10 there's going to have to be some return flow.
11 There's nothing now. But when the fish screen is
12 operating there won't be a lot of return flow, but
13 there will be enough return flow back to the stream
14 to allow the fish to hit that return and then go back
15 up. So I can't say exactly what that will be, what
16 the size of that will be, but there's going to be
17 something that will allow the fish to get away from
18 the screen and get back in the creek.

19 MR. TUST: Thank you.

20 Anybody else for aquatic resource? Okay.

21 Dianne?

22 MS. RODMAN: Terrestrial resources. The
23 first issue is the effects of project construction
24 and operation on vegetation. When I say "operation",
25 I'm thinking about things like maintenance of the

1 transmission line right-of-way. You would not want
2 tall vegetation in power lines, so there's going to
3 have to be periodic maintenance events. And then
4 project construction, of course, the reservoirs are
5 going to displace currently vegetated land.

6 Effects of project construction and
7 operation on the spread of invasive weeds. Certainly
8 when you have vehicles, especially construction
9 equipment, you know, one dump truck after the other,
10 that can spread weeds, and that is a problem in the
11 west. Effects of upland, riparian, and wetland
12 habitat loss on wildlife, including mule deer and
13 federal candidate species Sprague's pipit and greater
14 sage-grouse.

15 I would like to point out that when I do
16 these analyses, I like to include candidate species
17 which are not actually protected by the Endangered
18 Species Act in the terrestrial resources section, and
19 species that are listed are proposed in the
20 threatened and endangered species section. So that's
21 how I divide it, in case anybody was wondering why
22 candidate species were in this section.

23 And then the effects of transmission
24 lines on raptors, waterfowl, other migratory birds,
25 and other wildlife. And that could be pollution or

1 electrocution since you'll have a new power line in
2 the area.

3 Does anybody have any comments on those
4 bullets? Yes, sir.

5 MR. TOLLVAISA: Peter Tollvaise, 2262
6 State Highway 294. There are going to be the
7 underground piping from the upper to the lower
8 reservoir, and those holes are 16, 18 feet in
9 diameter, and there's going to be one or two pipes,
10 16 to 18 feet in diameter from the top to the lower;
11 one or two?

12 MR. BORGQUIST: One.

13 MS. RODMAN: One, yeah. And that's going
14 to --

15 MR. TOLLVAISA: Will there be -- that's a
16 lot of excavation and material being removed. How
17 much material will be required to complete the
18 project, and what will be the extra leftover from
19 excavation and where will that material go or be
20 utilized, ma'am? That's my question.

21 MS. RODMAN: I'm --

22 MR. BORGQUIST: If you guys don't mind,
23 I'll let Marty Weber with Stanley Consultants answer
24 that question.

25 MS. RODMAN: Yeah.

1 MR. WEBER: Marty Weber with Stanley
2 Consultants.

3 What will happen is that during the final
4 design of the project, a lot of effort will be taken
5 to balance all the materials on the site to be used
6 for construction of the embankments and on the roller
7 compacted concrete in the upper reservoir embankments
8 and the concrete for the Powerhouse.

9 So the final layout of these reservoirs,
10 you know, it might change a bit to determine the
11 optimum elevation of the bottoms basically so that
12 there's a balance of that material, so that the
13 amount of material that's wasted or that needs to be
14 brought in on the site is minimized.

15 Now, there will have to be certain
16 materials that are brought in to make concrete and
17 roller compacted concrete, like cement and whatnot,
18 but the key to a good design is to use what material
19 you have available to you and use it on-site for your
20 construction.

21 MR. TOLLVAISA: So that means there will
22 be no excess material removed from the site other
23 than what's used in the project?

24 MR. WEBER: I'm not saying there won't be
25 any waste material, no.

1 MR. TOLLVAISA: Thank you, sir.

2 MR. WEBER: It will be optimized and
3 minimized.

4 MR. TOLLVAISA: Thank you, sir.

5 MS. RODMAN: We would generally expect
6 any plans to remove any of the other materials and
7 where those would go, we would like to see that in
8 any plans when an application is actually filed.

9 We're still at the early stages of
10 design, that's why they wanted to do early scoping,
11 was to get everybody's input early on, to help design
12 the project in a way that would minimize the impacts,
13 and also to get everybody's input right up front on
14 this.

15 If there is excess construction spoil, it
16 has to be put somewhere. Our analysis should say
17 what the effects of putting that construction spoil
18 somewhere would be. So that will be something that
19 we would be interested in.

20 I think that's about it. You brought up
21 that. Are there any other additional terrestrial
22 resource questions that I don't have in my list? I
23 kind of went with general and vague because we don't
24 have specific plans yet, but is there anything that
25 you can bring up? Yes, sir.

1 MR. TOLLVAISA: Peter Tollvaise, 2262
2 State Highway 294, Cottonwood Cabinets, LLC. During
3 hunting season in Montana, a lot of game animals are
4 on my property. It's a really nice place for them to
5 hide during the winter because it is sheltered from
6 the wind, there is food there, and hopefully there
7 will be water down there.

8 Last year, I seen moose on my property,
9 one bull, two cows and some calves. There are elk
10 down on the adjacent property, not the 71s, but I'm
11 sure there's big game on the 71 also.

12 MS. RODMAN: Thank you. Okay.

13 MR. TOLLVAISA: And I would also like to
14 note, Mr. Borgquist, I do believe that I invited
15 members of Absaroka Energy, if they'd like to, to
16 come up to my property and hunt last year.

17 MR. BORGQUIST: We all appreciate that.
18 We didn't take you up on that offer, but I want you
19 to know it was very much appreciated. We know it was
20 sincere and I want to thank you on behalf all of us.

21 MS. RODMAN: Does anybody have any
22 comments on the four items that I've listed here?
23 Should these all be analyzed with equal weight, or
24 are there some that are more important than others?
25 That is one part of scoping, is to get an idea of the

1 relative importance of issues. Besides local
2 residents, we have State and Federal agencies that
3 may have some opinions about that, like say the
4 transmission line effects. Is that a big one?
5 Little one? Or do you want them all analyzed
6 equally?

7 Do you want me to do threatened and
8 endangered?

9 MR. TUST: Yeah, why don't you.

10 MS. RODMAN: Okay. Did you have anything
11 further? I don't want to hurry you.

12 MR. TOLLVAISA: Ma'am, I was just asking
13 Becky Phillips, she's a bird expert and I noticed
14 these species of birds listed up here, and I just
15 want to ask her if she's seen them on my property.

16 MS. PHILLIPS: There are many raptors on
17 his property, but I'm not sure -- I mean, I think
18 they've already included in their statements that
19 they're going to include that in the study.

20 MS. RODMAN: Okay.

21 MR. TOLLVAISA: One other question.

22 MS. RODMAN: Okay.

23 MR. TOLLVAISA: On this map I'm seeing a
24 lot of gray, and it looks like unirrigated land. I'm
25 not familiar with the term, riparian. Is that

1 equivalent of wetlands?

2 MS. RODMAN: Well, wetlands -- riparian
3 basically means local water. Again, that can be
4 wetlands, and it can be -- in my third bullet I list
5 them separately. Riparian, you can say like willows.
6 Wetlands, you could say like cattails.

7 MR. TOLLVAISA: Yes, ma'am. And with my
8 property on 2262, has it been analyzed for these two
9 items since Cottonwood Creek runs through the direct
10 center of my property?

11 MS. RODMAN: I don't know what their
12 current study plans include.

13 Steve, do you have any idea about the
14 scope of your plans there.

15 MR. LAUFENBERG: It's probably better for
16 Pam.

17 MS. RODMAN: Pam, okay. All right.

18 MS. SPINELLI: Peter, no, there's no
19 studies going on on your property right now. We
20 looked at buffer areas around the project features to
21 define a wildlife study area, approximately half a
22 mile above there, and I don't believe that your
23 property was in there. But we are doing studies --
24 we do have bird counts going on along Cottonwood
25 Creek, and we have done some raptor searches along

1 the Musselshell, raptor nest searches.

2 MR. TOLLVAISA: Excuse me, did I just
3 hear that your study area is within a half mile from
4 the project limits?

5 MS. RODMAN: Yeah, more or less.

6 MR. TOLLVAISA: I do believe that my
7 property is less than that amount. Actually from the
8 center of Cottonwood Creek to my property line
9 boarder by former Louise Galt, I do believe it is 300
10 yards or less.

11 MS. SPINELLI: From what --

12 MR. TOLLVAISA: From the center of
13 Cottonwood Creek, all right, that would be east, to
14 the property line with 71, is about 300 yards. And
15 since I'm -- my property is bordered by 71, I find it
16 very concerning that my property and my neighbor's
17 property, Dr. Ingersoll's, is not included in these
18 environmental studies.

19 MS. RODMAN: It's a buffer around the
20 proposed project features. So for example, the
21 transmission line, the reservoir, the road areas,
22 it's not Cottonwood Creek in general.

23 MR. TOLLVAISA: Thank you.

24 MS. RODMAN: Okay. Ms. Phillips, what
25 raptors have you seen in the area?

1 MS. PHILLIPS: Oh, by the way, I'd like
2 to correct that I'm not a bird expert, I did spend a
3 period of time working for the Utah Division of
4 Wildlife Resources in the riparian section, but I'm
5 not an expert. I've seen a lot of Golden eagles,
6 Bald eagles, we have many falcons and also owls.

7 MS. RODMAN: Okay, great.

8 MR. TUST: Thank you.

9 MS. RODMAN: Does anybody else have any
10 comments on the scope of impact for terrestrial
11 resources? No?

12 Okay. I'm also going to handle
13 threatened and endangered species, since for this
14 project you're really only talking about terrestrial
15 resources. And the one species that could occur,
16 maybe possibly could occur in the project area and
17 that is proposed for listing is the North American
18 wolverine.

19 Now, looking at the project, I think
20 that's pretty tenuous; however, we are required to
21 assess the effects on either listed or proposed
22 species, so we probably will say a little bit about
23 the wolverine.

24 Does anybody have any comments either
25 about other listed or proposed species, or the

1 possibility of wolverine occurring in the project
2 area?

3 DR. HILL: I will mention that the court
4 reporter can't record shaking of heads, so please
5 speak up if you want to be identified.

6 MS. PHILLIPS: I've never seen one.

7 DR. HILL: Okay, thank you.

8 MS. PHILLIPS: You're welcome.

9 MS. RODMAN: It did not seem very likely
10 in this county.

11 MR. TUST: All right. Well, like I'd
12 mentioned in the beginning when I was introducing the
13 team we have, our recreation specialist, Suzanne
14 Novak is on the phone. I'm going to go ahead and
15 handle the rest of the these issues that Suzanne will
16 be addressing. She's on the phone for any questions
17 that you guys may have, or clarification that she can
18 provide, but I figured you guys would be able to hear
19 me better than on the phone, so I'll go ahead and do
20 recreation and land use.

21 MR. TOLLVAISA: Peter Tollvaise, 2262
22 State Highway 294 of Cottonwood Cabins. Since
23 Absaroka Energy is leasing the lands from the 71,
24 will Absaroka Energy allow hunting on its leased
25 property?

1 MR. BORGQUIST: You are asking me, I
2 assume?

3 MS. RODMAN: Well, the question is for
4 you --

5 MR. BORGQUIST: Yes.

6 MS. RODMAN: -- but I have my own
7 opinions on the subject.

8 MR. BORGQUIST: Go ahead, Dianne, I'll
9 let you have a crack.

10 MS. RODMAN: Okay. The hydro project
11 boundary generally only includes the amount of land
12 needed to safely operate the project. So unless
13 there is some land of significant recreational or
14 wildlife habitat or something value, because those
15 can also be project purposes. So the project
16 boundary that the Commission generally defines for a
17 project is pretty tight around the project
18 facilities.

19 That being the case, I would think that
20 allowing hunting around electrical facilities is not
21 a great idea. This is, however, a site specific
22 determination, and I'd like to see what Absaroka
23 Energy was thinking about.

24 MR. BORGQUIST: Yeah. I can tell you
25 that there's no excess property subject to the lease,

1 so there will be no hunting, no activity like that on
2 what we're doing at all.

3 MS. RODMAN: We're not going to have big
4 chunks of prime hunting land removed from the
5 county's reservoir of good wildlife habitat. And I'm
6 sure you know that some people think that power line
7 insulators are just wonderful targets. We're not
8 thrilled with that idea.

9 MR. TUST: Anybody else? Okay. We'll
10 move on to recreation and land use.

11 We have identified the effects of project
12 construction, operation, maintenance on recreational
13 resources in the project vicinity, and the events on
14 other land use activities, including as we
15 identified, irrigation, agricultural production,
16 grazing and use by private residents.

17 Does anybody have any additional land use
18 activities that we need to identify here or any
19 recreation and land use issues that you'd like us to
20 analyze?

21 Yes, sir. Can you identify yourself,
22 please?

23 MR. KEANE: My name is Jim Keane, and one
24 of the things that are -- I'm not sure if this is the
25 appropriate place, but under land use is, because you

1 generate electricity, is this project going to apply
2 for renewable energy credits or...

3 MR. TUST: That's a question for Carl, I
4 think.

5 MR. BORGQUIST: At this point I couldn't
6 say whether it would or wouldn't. I think that would
7 depend on who exactly is operating it and how that
8 fits in with the rest of the grid. So it might, but
9 at this point I don't know.

10 MR. TUST: Sir, do you have an
11 affiliation? Just so we can get it on the record.

12 MR. KEANE: I'm a state senator from
13 Montana.

14 MR. TUST: Okay, great.

15 MR. KEANE: So under the land use,
16 renewable energy credits, is it going to be disclosed
17 of who's buying the electricity or how it's being
18 generated or who's the purchaser, who's accessing the
19 project?

20 MR. BORGQUIST: Sir, I think it will be
21 operated by utilities, and there's a lot of
22 disclosure that has to occur by law as a result of
23 the activity of anybody putting electricity on the
24 system. So subject to those existing rules, those
25 disclosures will have to be made.

1 I don't know exactly who that will be at
2 this moment, but I think that that territory is
3 pretty well established in terms of a utility or user
4 having to identify what they're doing on the grid.

5 MR. KEANE: And then does PFC have
6 regulatory authority over this project?

7 MR. BORGQUIST: It will depend on who's
8 using the facility. So if Northwestern is using it,
9 it could be part of their regulated business; it
10 could be an unregulated asset. That might be true of
11 any other utility as well. And then there are
12 different rules that apply to whether it's regulated
13 or not regulated and what exactly they're using it
14 for.

15 MR. KEANE: Well, for the federal people,
16 I think it's important that these issues get
17 discussed, and the whole process of where electricity
18 is going, who's buying it, are renewable credits
19 involved, is it in-state, out-of-state, does the
20 Public Service Commission have authority over it? I
21 think that somewhere down the road those issues need
22 to be addressed by the federal government.

23 MR. TUST: Thank you.

24 Any other comments for recreation and
25 land use? We'll move on to cultural resources. We

1 identify the effects of construction operation, of
2 the project on historic, archeological and
3 traditional resources that may be eligible for
4 inclusion in the National Register of Historic
5 Places; a pre-standard.

6 Any comments on that?

7 We'll move on to aesthetic resources.

8 Effects of the project construction and operation on
9 aesthetics, including views in the project studies
10 and the effects of noise from project construction,
11 operation and maintenance. Yes?

12 MR. TOLLVAISA: There was a meeting in
13 Harlow last year, and I do believe that that picture,
14 the lower reservoir, was supposed to be completely
15 below grade, and it looks like there's maybe a little
16 triangular embankment on the right-hand side, and I
17 thought that would be flush with grading instead of
18 above grade.

19 MR. BORGQUIST: Do you want me to tackle
20 that one?

21 MR. TUST: Yes, sure.

22 MR. BORGQUIST: Two things, Mr.
23 Tollvaisa, that the illustration is not precise, it's
24 really represented to let you know where the penstock
25 is going to be, kind of the general cutaway of Gordon

1 Butte. I mean I think this image, we'll call this
2 the Google image over here, with the two reservoirs
3 mocked up, and the aesthetic display we had prepared
4 that shows the embankment in the front, would be a
5 better illustration of that lower reservoir and how
6 it fits into the rest of the topography.

7 MR. TOLLVAISA: So the water level for
8 the lower reservoir will be at grade level and not
9 above it --

10 MR. BORGQUIST: Well --

11 MR. TOLLVAISA: -- or if it is above it,
12 what would be the elevation above grade represented
13 in that drawing?

14 MR. BORGQUIST: Let me see if this
15 answers your question. This will have to be
16 excavated and material removed. Then these two
17 sections will be filled in. You're looking at one of
18 them right there. So the water will be below that
19 level, and to some extent that illustration of the
20 cutaway gives you some sense of that. But the water
21 is going to be below -- these cuts will be below that
22 line that you see for that section that's built in.

23 MR. TOLLVAISA: Will the lower reservoir
24 be visible from 294?

25 MR. BORGQUIST: That is what you'll see

1 standing in front of the reservoir, so no.

2 MR. TOLLVAISA: Thank you, sir.

3 MS. NOVAK: I'm sorry, this is Suzanne at
4 FERC in D.C. Did you say the lower reservoir would
5 not be visible from the road or would be --

6 MR. BORGQUIST: Well --

7 MS. NOVAK: -- because I'm not able to
8 see the picture.

9 MR. BORGQUIST: Yeah, let me try to
10 answer that with more precession.

11 MS. NOVAK: Okay.

12 MR. BORGQUIST: If you're looking at it,
13 though we intend to plant it, you might be able to
14 tell that part of that is part of the lower reservoir
15 that was constructed, but you won't see water.

16 MS. NOVAK: Okay.

17 MR. BORGQUIST: You won't actually be
18 able to look into the reservoir. You'll just see the
19 embankment kind of built into the other topography of
20 the toe of Gordon Butte.

21 DR. HILL: So to describe it for the
22 record, you would see a berm that would be vegetated
23 from the road?

24 MR. BORGQUIST: Yes.

25 DR. HILL: And then the roller compacted

1 -- RCC would be on the inside of this, concrete would
2 be on the inside and maybe a little bit underneath?
3 How would that work?

4 MR. BORGQUIST: Go ahead, I'll let Marty
5 Weber speak specifically to that.

6 MR. WEBER: What you're looking at in
7 that photo there is -- basically it's called a saddle
8 dam, it's to shut off the natural draw of the land to
9 close off that water. So on the left and the right
10 is natural ground. In the center is a new embankment
11 that connects the two and retains that water. And
12 that settle dam is what you see on that cross section
13 there.

14 So the lower reservoir will be largely
15 enclosed within natural ground, but where there are
16 low spots, it has to be filled in with new
17 embankment. And that will likely be a rock fill
18 embankment with vegetation outside, not roller
19 compacted concrete.

20 MS. NOVAK: Okay, thank you.

21 MR. TUST: Anything else for aesthetics?

22 MS. NOVAK: Oh, I have a question, too.
23 I noticed in the study plan, the draft study plan,
24 you mentioned that the project would be visible from
25 the roadways and waterways. And I was just wondering

1 what waterways were you referring to? Was it the
2 creeks or what?

3 MR. BORGQUIST: I'm going to have to take
4 a look at that. I don't know what waterway we were
5 referring to, to be absolutely honest with you.

6 MS. NOVAK: Okay. Okay, I just wanted to
7 make sure, because I couldn't --

8 MR. BORGQUIST: That might be kind of a
9 clerical error on our part.

10 MS. NOVAK: Okay.

11 MR. BORGQUIST: I just can't imagine what
12 waterway we would be thinking about.

13 MS. NOVAK: Okay.

14 MR. TUST: We'll move on to the next
15 page, page 14, socioeconomic. The effects of the
16 project local economy of Meagher County.

17 Are there any other comments on that?

18 Okay.

19 MR. O'NEILL: Sean O'Neill from FERC. We
20 also wanted to raise the potential impacts of the
21 project on air quality.

22 As you all know, there's going to be a
23 bit of construction and we want to get feedback on
24 that. Does anyone else have anything they want to
25 add to potential impacts on air quality, or does

1 anyone believe that perhaps it's an issue that
2 doesn't need to be looked at, that it's a non issue?

3 MR. TOLLVAISA: Peter Tollvaise, 2262
4 State Highway 294, Martinsdale. Will like dust and
5 stuff, considering that the Martinsdale reservoir is
6 about five miles east of the site, will that cause
7 any of the dust produced by the project to filter or
8 be moved to Martinsdale reservoir?

9 MR. O'NEILL: Well --

10 MR. TOLLVAISA: Basically, is the dirt
11 going to blow from Gordon Butte into the reservoir?

12 MR. O'NEILL: Well, I'll just say
13 something real quick. We wouldn't expect it to if
14 proper sediment and erosion control practices are
15 employed, which are being proposed.

16 But if you have anything to add that?

17 MR. BORGQUIST: Best practices, we have
18 to get permits, or the EPC contractor will have to
19 get permits to do that. Maybe Kevin from Barnard can
20 make a few comments about that.

21 MR. SCHNEIDER: That's something we're
22 very familiar with and we're putting those
23 constraints on virtually all projects. There will be
24 water trucks, stock piles like topsoil that will be
25 in place for any amount of time will be seeded and

1 planted. So, no, we're very used to working in a
2 tight environmental constraint on dust and would
3 suspect that that will be the same here.

4 MR. TUST: Sorry, did you identify
5 yourself for the record?

6 MR. SCHNEIDER: Sorry, Kevin Schneider
7 with Barnard.

8 MR. TUST: Yes?

9 MR. TOLLVAISA: Concerning
10 socioeconomics, Martinsdale is a very small town. It
11 has a population of about 50, I would say. There is
12 no supermarket, no gas station. About the only
13 workable businesses in there are the Mint Bar and the
14 Crazy Mountain Inn, and that is only open seasonally.

15 And this project will bring 350 people
16 during construction. How are these people to eat,
17 get gasoline, and will there be any improvements to
18 Martinsdale?

19 Where are these guys going to eat? Where
20 can they get gas? Because right now, I have to drive
21 30 miles one way to White Sulfur Springs or
22 Harlowton, Montana to get a gallon of milk or
23 gasoline for my outfit. So 350 guys in Martinsdale,
24 where are they going to get their gasoline, and will
25 there be any gasoline available for purchase for the

1 locals of Martinsdale?

2 MR. TUST: Well, we'll certainly address
3 those issues in our assessment, so I appreciate your
4 comments.

5 And, Suzanne, did you want to expand on a
6 response to that or give a response to that?

7 MS. NOVAK: No. I mean it's a good
8 question, and all that would have to be addressed in
9 the applicant's socioeconomic analysis; the impact on
10 the community and, what would be proposed to, you
11 know, mitigate impacts and so forth.

12 DR. HILL: Carl, do you have anything you
13 want to add?

14 MR. BORGQUIST: I think there's going to
15 be an opportunity for a grocery store and a gas
16 station. So I think that opportunity will be there.
17 And of course we'll address that in our studies and
18 whatnot, but I think the good news, Mr. Tollvaise, is
19 that those services will come back, I think it's
20 likely it will come back to Martinsdale, which I
21 think most residents would be happy about, I would
22 think.

23 MR. TOLLVAISA: Mr. Borgquist, Peter
24 Tollvaise.

25 MR. BORGQUIST: Yes, sir.

1 MR. TOLLVAISA: There are two abandoned
2 gas stations in Martinsdale and there's also an old
3 little country store that was historically used to
4 buy stuff. So that's all I wanted to say. Thank
5 you.

6 MR. BORGQUIST: Okay, noted.

7 MR. TOLLVAISA: One other thing I would
8 like to ask. There are going to be 350 gentlemen
9 working on this project. They will have time off and
10 most likely like to have a beer or two after work.
11 Are there any ideas where these gentlemen can go
12 socialize, you know, have a beer or two in a local
13 area? Are they going to invade the Mint Bar, or, you
14 know, are they going to have a private social area or
15 -- and even where are these people going to stay?
16 Are they going to be on the 71 or on Absaroka Energy
17 or... I do not know. That is the end of my
18 question.

19 MR. BORGQUIST: Do you want me to tackle
20 that?

21 DR. HILL: Yes.

22 MR. BORGQUIST: I'm going to let Kevin
23 Schneider from Barnard chip in, because they've
24 obviously run projects like this many times over.
25 But we want to hire Montana workers. And the

1 expectation is that we will, or the EPC contractor,
2 not Absaroka Energy, that will be the EPC
3 contractor's responsibility, is to run buses from
4 Bozeman, Billings, Livingston, and other areas to
5 bring workers in to work and then bus them back to
6 their homes when their shift is over.

7 I think there's going to be some economic
8 opportunity and activity in Martinsdale, and our good
9 old capitalistic American system will probably be
10 there to find services and opportunities for people
11 that want to create some economic opportunity as a
12 result of the construction and folks that will be
13 around.

14 We're talking to the Meagher County
15 commissioners now, early, about how to manage all of
16 this, trying to take input from people well before
17 all this starts, and we'll certainly address it in
18 our study plans and study work as well.

19 MR. TOLLVAISA: Thank you, sir. One
20 other question, just a quick one. You said there
21 will be several high paying jobs? Well, I'm just
22 curious about what the requirements would be,
23 whether, you know, a professional -- actually I would
24 please like to strike these comments for right now to
25 get the meeting going and continuing. Thank you.

1 MR. TUST: Okay. Well, if anybody else
2 has any other questions, any other issues you want to
3 bring up right now before we move on, feel free.
4 Okay.

5 So the applicant is proposed studies.
6 Normally, as I said before, we're usually not
7 involved at this stage of the study plan development,
8 but we have listed them here for the different
9 resource areas, and we can kind of go through that
10 relatively quickly. And if you have comments, I'm
11 sure the applicant and we would be very appreciative
12 to try to know that they're doing the right thing and
13 addressing all the issues with their studies that you
14 all think is important. So I guess we'll go through
15 them one by one just real quick.

16 Sean, for geology and soil?

17 MR. O'NEILL: Sure. Okay. The applicant
18 proposes to conduct a geology and soil evaluation and
19 to identify potential geologic hazards and soil
20 instabilities.

21 MR. TUST: For Aquatic Resources, the
22 applicant proposes to characterize benthic
23 macroinvertebrate communities and aquatic habitat in
24 the source waters and identify the potential project
25 effects on aquatic resources.

1 Now I wanted to clarify, because of the
2 fish screen going in, you're not currently proposing
3 to do fish population studies, right, Carl?

4 MR. BORGQUIST: We're not doing them, but
5 the landowner and Fish, Wildlife & Parks are
6 cooperating to do them. Again, just to make this
7 line clear, our project starts behind the fish
8 screen, but we are encouraging and cooperating with
9 Fish, Wildlife & Parks and the landowner to get that
10 done, get those studies accomplished.

11 MR. TUST: Thank you. Terrestrial
12 Resources. Dianne?

13 MS. RODMAN: Okay. The applicant
14 proposes to identify the types of abundance and
15 distribution of wetlands and riparian habitats and
16 other plant communities within the project boundary,
17 including along the proposed transmission line
18 right-of-way, and to quantify the potential project
19 effects on vegetation.

20 The applicant also proposes to identify
21 use by raptors, waterfowl and other wildlife by
22 season and habitat type, evaluate species presence
23 and habitat quality for federal candidate species and
24 birds protected under the Bald and Golden Eagle
25 Protection Act and the Migratory Bird Treaty Act, and

1 quantity the potential project effects on wildlife
2 resources. Is that a fair characterization? Okay.

3 There are no studies proposed for
4 threatened and endangered species at this time.

5 MR. TUST: Okay. We'll move on to
6 recreational land use.

7 The applicant proposes to identify
8 recreational and land use resources and needs in the
9 project area and evaluate the effects of the
10 construction, operation and maintenance on those
11 resources.

12 For cultural resources they plan to
13 conduct a Class III cultural resource inventory of
14 the Area of Potential Effect and a traditional
15 cultural properties study to locate and document all
16 cultural resources and traditional cultural
17 properties and determine their eligibility for
18 inclusion in the National Register of Historic
19 Places.

20 I didn't know if Suzanne or Carl wanted
21 to just give those in the audience that aren't aware
22 of what a Class III cultural resource inventory is,
23 just to have a brief -- Suzanne, did you want to...

24 MS. NOVAK: Okay, sure. A Class III
25 cultural resource study would be an on-the-ground

1 survey, where you actually go out and survey the
2 area, set up transects, survey those transects maybe
3 every -- it depends, but, you know, every 30 feet,
4 every 50 feet, whatever, and see what you come up
5 with.

6 And traditional cultural properties are
7 areas with cultural significance to tribes and, it
8 could be of a religious significance or other
9 cultural significance.

10 Those areas don't necessarily need to be
11 within the project boundaries. These are areas that
12 could be affected by the project being there, you
13 know, areas outside the project boundary.

14 MR. TUST: Thank you.

15 MS. NOVAK: Does that help?

16 MR. TUST: Yes. Does anybody have
17 questions on that? Thank you, Suzanne.

18 For aesthetic resources, the applicant
19 proposes to quantify and qualify the existing visual
20 quality of the project area and analyze potential
21 visual effects of putting up the project, of
22 constructing a project. We kind of talked about that
23 earlier.

24 For socioeconomics, they propose to
25 evaluate the effects of project construction and

1 operation on local and regional economy, local social
2 conditions, goods and services. And --

3 MR. O'NEILL: And no studies are proposed
4 at this time for air quality.

5 MR. TUST: So if anybody has any feedback
6 on the studies being proposed by the applicant,
7 please speak up now, or you can always comment later.

8 Okay. So at this point, I'd like to have
9 people that want to come up and speak that have
10 requested to, feel free to do that now. Starting
11 with -- we'll have Dan Lloyd from the governor's
12 office.

13 Are you here, Dan.

14 MR. LLOYD: Yeah. I'll try to stand so I
15 can face most everybody here. And I'm reading a
16 letter on behalf of my boss, John Rodgers, who's the
17 chief business development officer for Governor
18 Bullock.

19 And he says, "I am writing this letter in
20 support of the Gordon Butte Pumped Storage Hydro
21 Project, currently in the licensing process
22 undertaken by Montana-based Absaroka Energy through
23 its single purpose subsidiary, GB Energy Park LLC. I
24 understand that the Commission has agreed to early
25 scoping under the National Environmental Policy Act

1 review for this project, and I support FERC in this
2 decision.

3 The Governor's Office of Economic
4 Development and other State of Montana agencies have
5 worked closely with Absaroka Energy to facilitate the
6 responsible development of the project. It is clear
7 that Absaroka Energy began consulting with the
8 relevant state and federal agencies early and has
9 maintained an open dialogue throughout the
10 development process. In the course of these
11 discussions, they have built solid relationships with
12 staff identifying potential issues and concerns,
13 consulting on other plans and defining the scope of
14 the NEPA review.

15 Some of the nation's best sources of
16 renewable energy are available in the Montana, yet
17 the full potential of these resources have yet to be
18 realized. As we continue to expand this important
19 industry, I believe the building of a modern,
20 fast-acting pumped storage hydro facility will help
21 integrate renewable energy resources onto the
22 regional transmission grid, catalyze the development
23 of new generation projects, and preserve and optimize
24 our existing transmission infrastructure.

25 If approved and developed, the project

1 would result in hundreds of high-wage permanent
2 positions, and generate sustainable tax revenue. The
3 project would inject economic life into rural Montana
4 and provide further economic development
5 opportunities around the state.

6 The State of Montana is committed to
7 properly permitting, monitoring and reviewing the
8 project to ensure that it complies with all federal
9 and state law and protects Montana's natural,
10 cultural and economic resources. If my office may
11 assist the Commission in any way, please let me know.

12 Sincerely John Rodgers."

13 Thank you.

14 MR. TUST: Okay. So Peter?

15 MR. TOLLVAISA: Yes, sir.

16 MR. TUST: Oh, I'm sorry, we can do Peter
17 first, that's fine. Peter, if you would like to come
18 up and talk, like you had mentioned that you wanted
19 to come and make a statement.

20 MR. TOLLVAISA: Thanks very much. At
21 this time I would like to let other people talk.

22 MR. TUST: Okay.

23 So Kennden Culp for Senator John Walsh?

24 MR. CULP: I'll stand over here as well,
25 it seems like a good spot. My name is Kennden Culp,

1 I work for U.S. Senator John Walsh and I'm reading a
2 letter on his behalf.

3 "Friends, I would like to thank everyone
4 for attending today's meeting and would like to voice
5 my support for the Gordon Butte Pump Storage Hydro
6 Project. Montana has the potential to lead our
7 nation to energy independence with our all of the
8 above energy projection strategy, including our vast
9 untapped wind energy resources.

10 The Gordon Butte Pump Storage Hydro
11 Project will allow Montana to expand wind energy
12 production and increase grid efficiency. Absaroka
13 Energy has proven to be a responsible developer and
14 strong partner throughout this process.

15 I have reviewed this scoping document and
16 strongly believe this project is ready to move
17 forward. The ability to firm and store our energy
18 resources will strengthen our existing energy
19 infrastructure in Montana and throughout the
20 northwest.

21 In addition to increasing our renewable
22 energy portfolio, this project will bring many good
23 paying long-term jobs to Meagher County, an area that
24 has recently struggled with economic isolation, and
25 make Montana more attractive for future wind energy

1 development. This project will give central Montana
2 the investment it needs.

3 I am very much in support of this
4 project, which will increase renewable energy
5 production and bring good jobs to Montana. Please
6 reach out to me or my office with any further
7 questions or concerns you may have regarding the
8 Gordon Butte Pump Storage Hydro Project. Please keep
9 in touch.

10 Sincerely, John Walsh."

11 And I'll submit this through your on-line
12 portal.

13 MR. TUST: Next, we have Brian Spangler
14 from DEQ Renewable Energy.

15 MR. SPANGLER: I'm Brian Spangler. I'm
16 the manager of Renewable Energy, a program at the
17 DEQ. We're non regulatory, it's the state energy
18 office located at DEQ. Build strong partnerships,
19 not outside of the DEQ, but inside the DEQ working
20 with the regulatory folks. And I just wanted to get
21 up and say that we support the letter that the
22 governor's office is submitting. And our director
23 did submit a letter directly to FERC on the project,
24 too. Thanks.

25 MR. TUST: Thank you.

1 Next, we have Jim Darling from Montana
2 Fish, Wildlife & Parks.

3 MR. DARLING: Thank you. Pretty rarified
4 atmosphere here. Mine is more technical in scope
5 here than gubernatorial.

6 So this is -- we've been working closely
7 with GB Energy Park and the folks there, and this may
8 just be a little more specific comments that we
9 haven't delivered before.

10 We just are requesting that our instream
11 flow water rights be met for any time the diversion
12 occurs in the following locations with corresponding
13 flow rates, and that's 16 cubic feet per second, or
14 CFS, at or near the mouth of Cottonwood Creek, the
15 point measurement at a particular point which I'll
16 clarify Montana Highway 294, or some point
17 downstream, which would be an acceptable location, 30
18 CFS at the South Fork of the Musselshell River below
19 the Martinsdale Reservoir Diversion Dam. This flow
20 could be calculated instead of directly measured,
21 using the USGS station at the South Fork Musselshell
22 River near Martinsdale. And that one, I guess, is
23 set to resume operation in October. And realtime
24 data collected on the Martinsdale inlet canal by
25 DNRC, and 80 CFS in the Musselshell River below Dead

1 Man's Basin Diversion Dam. The U.S. DS station,
2 blah, blah, blah, Musselshell River, blah, blah,
3 Above Mud Creek near Shawmut, Montana would be an
4 appropriate measuring point.

5 And in the event that Gordon Butte
6 decides to change existing water rights to provide
7 the project water supply, existing steam flow
8 conditions should be preserved and ideally will be
9 improved as part of the project. And again, we had
10 these conversations before.

11 Under fish and aquatic resources, we
12 desire to continue discussions with respect to the
13 design and installation of the fish screen and
14 diversion dam on Cottonwood Creek. Of particular
15 concern is the ability of fish that are bypassed
16 through the fish screen to move back upstream over
17 the diversion structure.

18 And I'm a fish guy here representing
19 wildlife and botanical resources, so it's a little
20 out of my league, but the recommendations with
21 respect to mule deer winter range and migratory birds
22 that were described in our October 13th, 2013 letter
23 are still applicable and should be addressed in the
24 licensing process. So we'll submit something else as
25 well.

1 DR. HILL: Any comments? If you want
2 them attached, you can give them to the court
3 reporter to put into the record, too.

4 Carl, did you want to say something else?
5 Did you want to make a separate statement?

6 MR. BORGQUIST: Nope.

7 DR. HILL: Okay, good. I just saw that
8 you were a speaker, and, Peter, did you have any
9 followup?

10 MR. TOLLVAISA: Peter Tollvaise, I am
11 very concerned that my property, being so close to
12 this project, is basically being ignored in these
13 studies. I'm the little guy. I like to drink water,
14 clean water, I like to have water so my fields have
15 some water and my place doesn't turn into a
16 tinderbox. Since I'm not part of an \$800 million
17 project, I want drinking water, that's it. Let me
18 have some water so I can have clean water.

19 Thank you, ma'am.

20 DR. HILL: Okay.

21 MR. TUST: Anybody that wants to make a
22 comment at this time or a statement? You didn't have
23 to indicate that at the beginning, you can do that
24 now if you want to. Okay.

25 So moving along with the scoping doc on

1 filed, you'll have an opportunity to comment on that.

2 In addition, once the license application
3 is filed and we're evaluating the application and we
4 issue our ready for environmental analysis, you'll
5 also have additional opportunities to comment with
6 us.

7 So, like I said, the deadline for
8 commenting on this scoping document is no later than
9 July 25th. You can file your comments online, like I
10 said, on the eComment under FERC.gov documents and
11 filing under eComments you can submit online, or you
12 can submit by mail. Page 17 has the address that you
13 need to send those comments to.

14 And, again, I urge you to go online if
15 you're really interested in the project and you want
16 to be kept informed to eSubscribe. You can take
17 advantage of that tool so that you can receive the
18 e-mail notifications when any filings come in. And
19 also, if you would like to be added to the mailing
20 list, page 22, I believe, has information on that.
21 It's also on our website if you want to be added; if
22 you don't see yourself here on this list and you want
23 to be added.

24 So one thing I also wanted to mention
25 before we look at the proposed schedule is

1 comprehensive plans. Well, we can do the proposed
2 schedule first since it comes up first in the scoping
3 doc.

4 So right now, we're on page 18 and we're
5 looking at the preliminary schedule we've come up
6 with for our EA. And, again, it starts with the
7 scoping meetings we're having this month,
8 specifically today. If a scoping document 2 is
9 necessary, we'll issue it in August after we give
10 everybody an opportunity to submit their comments.

11 The project license application is
12 expected to be filed in September of 2015. The
13 applicant may submit a draft license application
14 beforehand, but that's up to them whether they want
15 to provide that, but we encourage that so that you
16 guys have the ability to provide comments beforehand.
17 But in any event, the licensing application is set to
18 be filed in September of 2015. We'll evaluate the
19 license application for adequacy and we'll also look
20 at whether we have all the information we need to do
21 our environmental analysis.

22 If we do have a good application, then
23 we'll issue an REA, which is ready for environmental
24 analysis notice. You'll have the ability to comment
25 on that as well. Note that this date may shift if we

1 have additional information requests or if we have
2 additional study requests that come in. But this is
3 a preliminary schedule as it stands today.

4 Once the REA notice is issued, the
5 deadline for filing comments, recommendations and
6 terms and conditions from agencies and prescriptions
7 from agencies is January 2016. Once we have all
8 comments, we'll issue a draft EA, which is set for
9 July 2016 as it stands today. We'll have a 30-day
10 comment period with comments due two months after
11 that in August. And the final EA set to be issued in
12 January 2017.

13 So any comments on the proposed schedule?

14 MR. BORGQUIST: I have a comment.

15 MR. TUST: Sure.

16 MR. BORGQUIST: We hope to expedite those
17 dates significantly. And I think we've talked about
18 that with all of you in the past. I just want to
19 officially say it so it's on the record.

20 One of our exhibits lays out the schedule
21 that we proposed and the schedule that we're hoping
22 to achieve. That will be part of the transmission
23 that we give in terms of identifying the exhibits
24 that were up here today. And if anybody has any
25 thoughts or questions about that, you can come up

1 after the meeting and take a look at what we're
2 thinking in terms of the schedule. But I just wanted
3 to say we're hoping to move the process faster.

4 MR. TUST: Right. And like I said, this
5 is a preliminary schedule as it stands; it can be
6 shifted, depending on the information we get in the
7 application.

8 MR. BORGQUIST: Yes, sir.

9 A VOICE: Will the July 25th deadline be
10 changed?

11 MR. BORGQUIST: No, I don't mean to
12 answer, I should have answered that.

13 MR. TUST: Yeah. No.

14 DR. HILL: That's a comment.

15 MR. TUST: That's a comment.

16 DR. HILL: That being said, any time
17 anyone has something to say on the record, people
18 usually tend to file it, and that's fine, we'll
19 consider it if we have time to consider it for that
20 document. But if not, it will be the record for the
21 subsequent documents that are issued.

22 MR. TUST: Yes, Peter?

23 MR. TOLLVAISA: Will the comments in this
24 transcript today serve as stuff that has to be for
25 the comments written by July 25th? Now, will this

1 transcript serve that?

2 DR. HILL: Yes.

3 MR. TOLLVAISA: Thank you, ma'am.

4 MR. TUST: So on page 19 and 20, we have
5 our proposed EA outline. You guys can take a look at
6 that, see if there's anything that we missed. It
7 follows a pretty standard format that we use.

8 Page 21, Comprehensive Plans, I wanted to
9 touch on. Section 10(a)(2) is the Federal Power Act
10 requires FERC to consider the extent to which a
11 project is consistent with certain federal and state
12 comprehensive plans for improving, developing and
13 conserving a waterway. These plans are filed with
14 FERC and there's a master list that's online and
15 available.

16 We took a subset of the plans that are
17 currently filed with the State of Montana. And this
18 list that we have here on page 21 and 22 are the
19 subset that we felt may be appropriate to this
20 project. But, of course, if any of you have
21 additional comprehensive plans that you think we
22 should evaluate from the master list, you can take a
23 look at that list and let us know.

24 Additionally, if there's any plans that
25 are not on that list currently and you would like to

1 have them added, there's a system for having them
2 filed with the Commission. And you can see that link
3 there at the bottom of the top paragraph on page 21.
4 You can follow the instructions on that for actually
5 filing a plan to have it included on the list. So
6 just let us know if there's any plans that you feel
7 we need to evaluate to see if the project is
8 consistent with that.

9 Any comments on that? Any additional
10 comments, issues, opinions to be raised at this time?

11 Yes, Peter?

12 MR. TOLLVAISA: Peter Tollvaise, 2262
13 State Highway 294, Martinsdale.

14 I don't know how to -- that picture up
15 there showing the road and everything, with that
16 reservoir embankment on the right-hand side, even if
17 it is above grade, will it be able to be seen from
18 the road as -- the picture on the left, it is not
19 visible. The picture on the right, the embankment is
20 visible. And --

21 MR. BORGQUIST: Mr. Tollvaise, I'm not
22 sure I understand your question, I'm sorry. What are
23 you asking?

24 MR. TOLLVAISA: On the site lines, even
25 if the embankment on the right-hand side, the lower

1 reservoir is above grade, will it be visible on that
2 picture from the road?

3 MR. BORGQUIST: Well, let me see if I'm
4 answering the question. You're getting a view from
5 the road. You're getting a view from the road
6 essentially right in here. Looking at the embankment
7 between the two existing pieces of topography, as Mr.
8 Weber said, are going to be filled in to enclose and
9 create that lower reservoir. So you can see one of
10 those is very straight and level, as you kind of look
11 across, that's the saddle that he mentioned.

12 Does that answer your question?

13 MR. TOLLVAISA: Yes, sir.

14 MR. BORGQUIST: Okay, thank you.

15 MR. TOLLVAISA: I have a question.

16 Absaroka Energy is leasing the property from the 71.
17 Is Absaroka Energy always going to be involved? Like
18 what are the terms of the lease if Absaroka Energy
19 does not stay with this project? What's going to
20 happen?

21 The other thing I'd like that's not -- I
22 am very -- this is the first type of this project
23 built in the United States; is that true, sir?

24 MR. BORGQUIST: No.

25 MR. TOLLVAISA: This is a controversial

1 thing. Can these upper and lower reservoirs be
2 utilized as a cooling system for a nuclear power
3 plant?

4 MR. BORGQUIST: I'm going to let you
5 tackle that one, and I'll be happy to jump in.

6 DR. HILL: All right. Can the water be
7 used to cool? I suppose one could design it that
8 way, I don't know if that would be the most efficient
9 way to design it.

10 There are a number of pump storage plants
11 that have been built in the United States. Some of
12 them are built in tandem with nuclear plants, but
13 mainly to shift the electrons, as Carl was talking
14 about, to take that then steady amount of electricity
15 that's coming out and take, say, nighttime energy,
16 and pump the water up and take daytime energy,
17 augment the grid when people are using energy the
18 most. So that's usually where we've seeing it in
19 tandem with a nuclear plant.

20 MR. BORGQUIST: And if I can just add,
21 the tandem is not a physical tandem, it's a company
22 that says I'm going to build a nuclear plant, I have
23 to keep it running at night, what am I going to do?
24 I can't shut it down at night, I have to keep it
25 running. I can't turn it off.

1 So somewhere, someplace else I have to
2 have some ability to store that energy, and the pump
3 storage is developed to be in tandem with the nuclear
4 project in its business operation in order to have a
5 place to store that energy.

6 We have absolutely no plans, there will
7 not be a nuclear facility anywhere associated with,
8 connected to, period, this facility.

9 This is a pump storage facility, it's
10 going to do just what we said it was going to do;
11 nothing more, nothing less.

12 MR. TOLLVAISA: Thank you, sir.

13 MR. TUST: Any additional comments?

14 All right. Well, with that, we'll close
15 the meeting. You have the information there. My
16 information is on the first page, and feel free to
17 give me a call if you have any questions on the
18 licensing. We can certainly talk. And feel free to
19 submit your comments up to the 25th, and then as the
20 project moves forward.

21 Thank you.

22 (The meeting was adjourned at 11:00 a.m.)

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Document Content(s)

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