

Hydrokinetic Pilot Project License Draft Application
Whitestone Poncelet RISEC Project
FERC No. 13305
Pursuant to 18 CFR § 5.18

August 19, 2011

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Dear Madam Secretary,

On behalf of Whitestone Power and Communications (WPC), I am pleased to submit pre-filing materials for a Hydrokinetic Pilot Project License for the Whitestone Poncelet RISEC Project located at the confluence of the Delta and Tanana rivers near the community of Whitestone, Alaska. The project would develop a prototype of a single pontoon-mounted undershot waterwheel with a maximum capacity of 100 kW to generate electrical power from the river current. This proposal is based upon the design of WPC's Poncelet Kinetics RHK100 completed by Hasz Consulting, LLC for WPC as well as extensive consultation with state environmental agencies, state and federal energy regulatory agencies and local energy producers conducted under Preliminary Permit No. 13305.

WPC is submitting the information required under the guidance of the Commission's Hydrokinetic Pilot Project Licensing Procedures (April 2007). This material is organized as described below in the Table of Contents.

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WPC has provided, or offered to provide, electronic copies of this draft application to the official project service list, other federal, state, and local resource agencies, non-governmental organizations, and potentially-interested members of the public. WPC has published notice of filing of these materials in local newspapers and is posting this draft license application on its website www.whitestonecommunityassociation.net.

WPC would like to thank the Commission staff for their guidance throughout the preliminary permit period and looks forward to working with the Commission and all interested parties to successfully complete the hydrokinetic pilot project licensing process.

Sincerely,



Steven M. Selvaggio
President

NOTICE OF INTENT TO FILE AN APPLICATION FOR AN ORIGINAL LICENSE FOR A HYDROKINETIC PILOT PROJECT

FERC Project No. 13305

Whitestone Power and Communications (WPC) of Whitestone, AK hereby notifies the Federal Energy Regulatory Commission (FERC) of its intent to file an application for a hydrokinetic pilot license for the Whitestone Poncelet RISEC Project located at the confluence of the Delta and Tanana rivers near the community of Whitestone, AK. This application will be filed according to the guidance provided in FERC's whitepaper, "Licensing Hydrokinetic Pilot Projects" and in accordance with FERC's regulations under 18 CFR Part 5. With this notice, WPC is also filing a request for waiver of pre-filing components of the Integrated Licensing Process (ILP) in order to allow for the expedited processing of a Hydrokinetic Pilot Project License Application, a Justification Statement for the use of this process, and a draft application prepared under the requirements of §5.18 of FERC's regulations. This notice of intent is prepared according to §5.5 of FERC's regulations.

(1) Applicant Name and Address

Whitestone Power and Communications
P.O. Box 1630
Delta Junction, AK 99737

(2) Project Number

Under its existing FERC Preliminary Permit, Whitestone Poncelet RISEC Project has been assigned Project No. 13305.

(3) License Expiration Date

N/A

(4) Statement of Applicant's Intention to File

Whitestone Power and Communications hereby states its intention to file an application for an original license for a hydrokinetic pilot project, WPC's Whitestone Poncelet RISEC Project located at the confluence of the Delta and Tanana rivers near the community of Whitestone, Alaska. WPC will follow the Commission's whitepaper,

“Licensing Hydrokinetic Pilot Projects” which provides guidance on how best to apply the ILP (Part 5 of 18 CFR), with specific waivers granted under §5.29(f)(2), in order to obtain a license in an expedited manner for a hydrokinetic pilot project. As stipulated in the whitepaper, WPC has included in this application a statement justifying that the Whitestone Poncelet RISEC Project qualifies as a hydrokinetic pilot project under the Commission’s criteria.

(5) Type of Principal Project Works

WPC’s Whitestone Poncelet RISEC Project is a hydrokinetic river-in-stream-energy-conversion project which would consist of one (1) pontoon float 34-feet long and 19-feet wide supporting a Poncelet style undershot waterwheel 16-feet in diameter and 12-feet wide with a maximum capacity of 100 kW. The float will be moored to the shore by cables and struts above the surface of the water. The anchoring system will also carry the electrical power transmission cables from the float to the grid tie installation on the shore.

(6) Location of the Project

The project is located at the confluence of the Tanana and Delta rivers near the community of Whitestone, Alaska, approximately 90 miles south of Fairbanks, Alaska (64°09'22.66" N, 145°51'39.88" W).

(7) Installed Plant Capacity

The project would have a maximum installed capacity of 100 kW.

(8) Contact Information for:

(i) Every county in which any part of the project is located, and in which any Federal facility that is used or to be used by the project is located;

The project is not located in any organized county or borough and does not make use of any federal facilities.

(ii) Every city, town, or similar political subdivision

(A) In which any part of the project is or is to be located and any Federal facility that is or is to be used in the project is located:

The project is not located in any city, town or similar political subdivision and does not make use of any federal facilities.

(B) That has a population of 5,000 or more people and is located within 15 miles of the existing or proposed project dam;

There are no towns with a population greater than 5,000 people within a 15 mile radius of the project and there is not an existing or proposed dam associated with the project.

(iii) Every irrigation district, drainage district, or similar special purpose political subdivision:

The project is not located in any irrigation district, drainage district or similar political subdivision.

(iv) Every other political subdivision in the general area of the project or proposed project that there is reason to believe would be likely to be interested in, or affected by, the notification:

Whitestone Community Association
P.O. Box 1630
Delta Junction, AK 99737

(v) Affected Indian tribes:

Indian tribes in the general area include the Dot Lake Village, Healy Lake Village, Northway Village Council, Native Village of Tanana, Tanacross Village Council, and Tok Native Association. WPC's research shows there are no tribal lands or resources will be affected by the proposed project.

REQUEST FOR WAIVERS, PROCESS PLAN AND JUSTIFICATION STATEMENT

FERC Project No. 13305

Whitestone Power and Communications proposes a process plan and schedule for expedited review of its application for a hydrokinetic pilot license. This plan is presented below and provides the parties that will be involved in this licensing process with the information necessary to facilitate their participation, including the anticipated milestones and the overall path associated with the licensing process. Also included in this section is the justification statement for using FERC's Hydrokinetic Pilot Project Licensing Process and the request for designation as the non-federal representative for ESA and Section 106 consultation.

REQUEST FOR WAIVERS

In accordance with the Commission's regulations under 18 CFR §5.29(f)(2), WPC hereby requests express waiver of timelines and respective responsibilities under the following pre-filing components on the Integrated Licensing Process in order to allow for the expedited processing of a Hydrokinetic Pilot Project License Application prepared under the guidelines of §5.18:

- ◆ §5.2(a) Document Availability, as a Pre-Application Document will not be prepared and will not be available to the public for inspection;
- ◆ §5.6 Pre-Application Document, as the relevant information required under this section, is included in Exhibit E of the Draft Pilot Project License Application.
- ◆ §5.7 Initial Tribal Consultation Meeting, as the proposed project will not affect any Indian tribes.
- ◆ §5.8 Notice of Commencement of Proceeding and Scoping Document, as under the Hydrokinetic Pilot Project Procedure, the Commission intends to notice the pre-filing process within 15 days of filing and will not prepare a scoping document.
- ◆ §5.9 Comments and Study Requests, as under the Hydrokinetic Pilot Licensing Procedure, comments will be due in 30 days and the required post-license monitoring plans have been developed with consideration of the Integrated Licensing Procedure study criteria under §5.11.
- ◆ §5.10 Scoping Document 2, as it is optional and not considered in the Hydrokinetic Pilot Licensing Procedure.
- ◆ §5.11 Potential Applicant's proposed Study Plan and Study Plan Meetings, as the intent of this and the following sections are covered under the required post-licensing monitoring plans.
- ◆ §5.12 Comments on the Study Plan.
- ◆ §5.13 Revised Study Plan and Study Plan Determination.

- ◆ §5.14 Formal Dispute Process.
- ◆ §5.15 Conduct of Studies.
- ◆ §5.16 Preliminary Licensing Proposal, as it is covered in the draft Pilot Project License application.
- ◆ §5.18(c) Exhibit H, as the information pertains to new license applications and is not applicable to an original hydrokinetic pilot project license application.

In addition, because Whitestone Power and Communications has prepared this application under the requirements of §4.61, Application Contents for Minor Water Power Projects and Major Water Power Projects less than 5 MW, WPC is submitting an initial statement; Exhibits A, E, F, and G, as modified to include the specific information requested under the Commission's hydrokinetic licensing process whitepaper; but is requesting waiver of all specific information requirements not applicable to a hydrokinetic project or the Hydrokinetic Pilot Project License Procedure as indicated within the application document.

PROPOSED PROCESS PLAN AND SCHEDULE

Whitestone Power and Communications proposes a process plan and schedule for expedited review of its application for a hydrokinetic pilot license according to Figure 1A, "Schematic of Hydrokinetic Pilot Project Licensing Procedures in the Commission's Hydrokinetic FAQ document. This plan is shown in Table 1 below and provides the parties that will be involved in this licensing process with the information necessary to facilitate their participation, including anticipated milestones and overall path associated with the licensing process. Please note that the proposed plan is more abbreviated than standard practice.

WPC believes its request for a more abbreviated process is justified by its extensive consultation with local resource agencies. The result of this consultation is that WPC currently holds all permits necessary for full deployment and testing. In addition, WPC believes the request is justified by the previous 60 day comment period prior to the dismissal of its first draft application. WPC believes the comments submitted to the Commission at that time have been adequately addressed and that new concerns have not arisen during the time since the application was dismissed. WPC further requests this abbreviated time table so that it will not lose the 2012 testing season which it views as vital to the success of the proposed project.

Table 1. Hydrokinetic Pilot Project Licensing Process Plan and Schedule

DATE	DAYS	FERC	MILESTONE
PRE-FILING ACTIVITY			
August 19, 2011		BOX 1	1) WCA Files Notification of Intent
			2) WCA Files a Draft License Application
			3) WCA Requests Waivers Necessary for Expedited Processing of a Hydrokinetic Pilot Project License Application
			4) WCA Requests Designation as Non-Federal Representative for ESA and 106
			5) WCA Distributes, Notices and Files Pre-Application Packet
August 26, 2011	7		6) Commission Notices Pre-filing Process, Docket Number and a Tentative Pre-Filing Schedule
September 19, 2011	30	BOX 2	Agencies and Others File Comments on Process Plan and DLA
			If needed, Commission Solicits Tribal

DATE	DAYS	FERC	MILESTONE
			Consultation
			Commission Designates WCA as Non-Federal Representative for ESA and Section 106 Consultation
October 13, 2011	30	BOX 3	Commission Notices Conclusion of Pre-filing Process and Makes Determination on Request for Waiver/Process Plan
October 28, 2011	15	BOX 4	WCA Files License Application with Revisions
POST- FILING ACTIVITY			
November 11, 2011	15	BOX 5	Commission Issues Acceptance & REA Notice and Request for Interventions
			If needed, Commission Issues Biological Assessment (BA)
December 11, 2011	30	BOX 7	Agencies and Others File Recommendations, Conditions and Comments on the Application
February 11, 2012	60	BOX 8	Commission Issues Single EA if FONSI
March 11, 2012	30	BOX 9	Agencies and Others Comment on EA; 10j Resolution
March 14, 2012		BOX 10	Ready for Commission Decision

JUSTIFICATION STATEMENT

FERC Project No. 13305

The following justification statement demonstrates that Whitestone Power and Communication's Whitestone Poncelet RISEC Project meets the *Criteria for Using the Pilot Project Licensing Procedures*, listed in Section III of the Commission's whitepaper, "Licensing Hydrokinetic Pilot Projects". These criteria specify that the proposed project must be: (1) small; (2) short term; (3) not located in sensitive areas; (4) removable and able to be shut down on short notice; (5) removed, with the site restored, before the end of the license term unless a new license is granted; and (6) initiated with a draft application that is adequate as filed to support environmental analysis.

(1) Pilot projects will be small.

As mentioned in the whitepaper, FERC staff will evaluate projects on a case-by-case basis, but expects that pilot projects will be less than 5 MW and often will be substantially smaller. In addition to generating capacity, staff also will consider carefully the number of generating units and the project footprint in determining whether the proposal qualifies as a pilot project.

WPC's proposed Whitestone Poncelet RISEC Project is in compliance with this requirement as its maximum capacity is 100kW, which is below the Commission's 5 MW threshold. It is likely that this will be a typical size for hydrokinetic generation units in remote rural communities in Alaska should this technology prove feasible for river conditions in Alaska.

(2) The license will be short term.

As mentioned in the Commission's whitepaper, FERC will evaluate on a case-by-case basis, but expects that pilot projects will have terms of five years.

WPC will request a license term of five years as stipulated in the Commission's whitepaper. WPC expects that this project will be ready for full commercialization by the end of that time with deployment planned for May 2013 which will allow for a three year testing period. This will give WPC ample time to prove the reliability, operational costs and profits of the proposed technology.

(3) Pilot Projects will avoid sensitive locations.

The Commission's whitepaper, "Licensing Hydrokinetic Pilot Projects", indicates that the applicant must describe potential areas of sensitivity in the proposed project area and

indicate reasons for the sensitivity. Commission staff will determine whether a potential use conflict makes the proposal inappropriate for an expedited review process.

WPC's proposed Whitestone Poncelet RISEC Project would be located at the confluence of the Delta and Tanana rivers near the community of Whitestone, AK (64°09'22.66" N, 145°51'39.88" W). This area of the rivers is not subject to more than incidental water transportation traffic of any kind. All boating in this area is small and infrequent. However, the area is a sensitive biological resource for the salmon which migrate through it in the spring and fall. This is an unavoidable condition in the preponderance of Alaska's rivers which are home to unusually high densities of aquatic life in general and salmon in particular. For this reason, one of the major objectives of this project is to prove the ability of this technology to operate without harm or disturbance to the resident and migratory aquatic life. No deployment will take place until the necessary permits have been obtained from the Alaska Department of Fish and Game and the National Fish and Wildlife Service. The technology being developed by WPC is uniquely suited to coexist with aquatic life and would receive all necessary approvals prior to deployment.

(4) Pilot projects will be subject to strict safeguards for the public and environmental resources potentially leading to project modification, shutdown or complete removal.

The Commission's whitepaper states that unacceptable risks to the public or the environment during the license period, as observed through the monitoring protocols required by the license (or as otherwise evident), will lead to project alteration, shutdown or removal followed by site restoration.

The proposed Poncelet Kinetics RHK100 pontoon-mounted undershot water wheel can be unmoored and removed from the river in a matter of a few hours. Because all mooring and power transmission systems are above the surface of the water, the technology is uniquely suited to swift deployment and removal. In addition, it is anticipated that the device will be removed from the water in October and be redeployed in May of each year. WPC has already received the necessary permits from the United States Army Corps of Engineers (USACE).

(5) Pilot projects will be required to complete project removal and site restoration before the end of the license period unless the licensee obtains a new license covering the pilot project site.

The Commission's whitepaper states that licenses for pilot projects will require that the project be removed and the site restored as directed by FERC. If a pilot project licensee opts to apply for a standard license at the end of the pilot project license term, authorization of the build-out project will be evaluated in a full Commission proceeding with the National Environmental Policy Act (NEPA) review and participation by all interested stakeholders. If the build-out is licensed, there may be no need to remove the pilot device.

WPC accepts these conditions as outlined in the Commission's whitepaper. In addition, as required by the Commission guidance, WPC includes in this license application a plan to assure financing to remove the project and restore the site, in the event that a successive license is not pursued.

(6) Pilot projects will be initiated with a draft application that is adequate as filed to support environmental analysis.

The whitepaper states that the draft application must include a thorough description of the existing environments, incorporating a review of existing information and a description of the environmental baseline, which may require basic pre-application surveys, measurements or observations. Potential effects of the project should also be included.

WPC has been actively studying the proposed project area, consulting with local, state and federal agencies including the Department of Natural Resources (DNR), the Alaska Department of Fish and Game (ADFG), the US Fish and Wildlife Service (USFWS), the United States Army Corps of Engineers (USACE), the United States Coast Guard (USCG) and the State Historic Preservation Officer (SHPO). WPC believes that the environmental report submitted with this application as Exhibit E, which is based on these studies and consultations, provides a sufficient level of information to support the environmental analysis for issuance of the pilot project license and thus believes the project is compliant under this criterion.



WHITESTONE POWER & COMMUNICATIONS

PHONE: (907) 895-4938 FAX (907) 895-4787 P.O. BOX 1229 DELTA JCT. AK, 99737

REQUEST FOR DESIGNATION AS NON-FEDERAL REPRESENTATIVE FOR ESA AND SECTION 106 (NHPA) CONSULTATION

FERC Project No. 13305

Pursuant to 50 CFR §402.13, Whitestone Power and Communications requests designation as FERC's non-federal representative to initial informal Section 7 consultation (16 U.S.C. § 1536) with the USFWS and the NMFS and to hold discussions related to threatened and endangered species with other appropriate parties on behalf of FERC with regard to the Hydrokinetic Pilot Project Licensing Procedures.

Section 106 of the National Historic Preservation Act of 1966 (as amended), 16 U.S.C. § 470f, requires FERC to take into account the effect of its undertakings on historic properties and to afford the Advisory Council on Historic Preservation a reasonable opportunity to comment. Under 36 CFR §800.2(c)(4), FERC may authorize an applicant for a Federal license to initiate Section 106 consultation with the SHPO and any relevant Tribal Historic Preservation Officer(s) (THPO). WPC hereby requests designation as the non-federal representative to initiate Section 106 consultation and other historic and archeological discussions with the Alaska SHPO and other interested parties on behalf of FERC with regard to the Hydrokinetic Pilot Project Licensing Procedures.

COMMUNICATION RECORD

In accordance with the Commission’s whitepaper, Whitestone Power and Communications has provided a copy of the pre-filing materials including its NOI, draft license application, and the waiver request and process plan to the federal, state and local resource agencies, non-governmental organizations, and members of the public potentially interested in the project. These parties are listed below.

Additionally, on a date not later than the filing date of the pre-filing materials with the Commission, WPC has published notice of the filing of its NOI, draft application, and request for waver and process plan in a daily or weekly newspaper in each county in which or off of whose shore, the project would be located. This notice disclosed the date of the filing of the pre-filing materials with the Commission and stated that comments could be filed with the Commission for up to 30 days following the pre-filing materials filing date.

- i. Record of Document Distribution
 - a. Potentially interested federal, state and local resource agencies, non-governmental organizations:

The following potentially interested federal, state and local resource agencies, non-government organizations and members of the public are being notified of this application:

First Name	Last Name	Title	Organization
Eric	Feige	Representative	Alaska House of Representatives
John	Coghill	Senator	Alaska Senate
Lisa	Murkowski	Senator	United States Senate
Sean	Parnell	Governor	State of Alaska
Karla	Bush	Fishery Biologist IV	AK Dept. of Fish & Game
James	Durst	Habitat Biologist III	AK Dept. of Fish & Game
Bob	Henszey	Fish & Wildlife Biologist	US Fish & Wildlife Services
Mary	Dowling	Mayor	Delta Junction, Alaska
Jack	Detzel	Public	Goodpaster Association
Daniel	Bergstrom	Fishery Biologist IV	AK Dept. of Fish & Game
Howard	Thies	Division Director	Department of Transportation, Fairbanks
Dan	Bishop	Staff Member	Golden Valley Electric Association
Mike	Wright	Director of Operations	Golden Valley Electric Association

First Name	Last Name	Title	Organization
A.J.	Wait	Natural Resource Manager I	Dept. of Natural Resources
Stuart	Pechek	Natural Resource Specialist II	Dept. of Natural Resources
Chris	Milles	Natural Resource Manager III	Dept. of Natural Resources
Gary	Prokosch	Natural Resource Manager III	Dept. of Natural Resources
Robert	McCormick	Permitting Officer	US Coast Guard
Brandy	Baker	Management Biologist	AK Dept. of Fish & Game
Robert, "Mac"	McLean	Regional Supervisor	AK Dept. of Fish & Game
Michael	Harper	Executive Director	Alaska Energy Authority
Ellen	Lyons	Permitting	USACE
Denali	Daniels	Senior Energy Program Manager	Denali Commission
Dennis	Johnson	Senior Electrical Engineer	Applied Power & Control
Don	Young	Representative	United States House of Representatives
Susan	Bell	Commissioner	DECED
Greg	Wyman	New Construction	GVEA
R. Scott	McClintock	RPLS	Eco-Land LLC
John	Hasz	Professional Engineer	Hasz Consulting LLC
Chris	Roach	Hydrologist	Chris Roach, P.E.
David	Lockard	Program Manager	Alaska Energy Authority
Alan	Fetters	Program Manager	Alaska Energy Authority
Josiah	Keller	Vice President	Whitestone Community Association
Jack	Schmid	Researcher	University of Alaska, Fairbanks
Monte	Miller	Coordinator	Statewide Hydropower/Hydrokinetic
Susan	Walker		NOAA

- ii. Publications of Notice of Filing:
 - a. Delta Wind
 - b. Fairbanks Daily News-Miner
 - c. Anchorage Daily News

CERTIFICATION OF SERVICE

In accordance with Section 16.8 of the Commission's Regulations, I hereby certify that I have this day provided a copy of the Draft Hydrokinetic Pilot Project License Application for the Whitestone Poncelet RISEC Project or a notice of its availability to each entity designated on the attached Distribution List.

Dated in Delta Junction, Alaska on this 19 day of August, 2011.

Steve M. Selvaggio, President
Whitestone Power and Communications
P.O. Box 1630
Delta Junction, AK 99737



Steve M. Selvaggio, President
Whitestone Power and Communications

Record of Consultation Prior to Submission of Pre-Filing Materials

Date	Organization	Type	Description	Location of Document
09/20/2008	WCA	Meeting	WCA Board Meeting – Hydrokinetic Energy Installation discussed by entire board with resolution to proceed	WCA
09/24/2008	AHWG	Meeting	Proposal of Developmental Hydrokinetic Energy Project	Docket
02/26/2009	FERC	FERC Filing	Order Issuing Preliminary Permit	WPC
03/15/2009	WPC	FERC Filing	Schedule of Activities Letter	WPC
08/14/2009	WPC	FERC Filing	Semi-annual progress report	WPC
3/10/2009	WPC	FERC Filing	Permit Activities Schedule	WPC
08/17/2009	WPC	Letter	Submitted application to AKDNR for water rights and land use permits	WPC
06/29/2009	AHWG	Meeting	Explanation of goals and discussion	Docket
10/26/2009	WCA	Meeting	Quarterly board meeting – discussed the device design	WCA
1/26/2010	AHWG	Meeting	Address the Hastings Report	Docket
2/01/2010	WPC	FERC Filing	Semi-annual progress report	WPC
3/04/2010	AHWG	Meeting	Address permitting and scheduling questions	Docket
04/12/2010	WCA	Meeting	Quarterly board meeting – updates on Whitestone Poncelet RISEC Project	WCA
04/20/2010	WPC	Letter	Received Clean Water Act, Section 10 Letter of Permission from USACE	WPC
4/25/2010	WPC	Letter	Received Letter of Deferral from USF&W allowing WP&C to seek all environmental permits through AKF&G and waiving the EFH study requirements.	WPC
04/29/2010	WPC	Meeting	Attended Alaska Energy Conference – presented Whitestone Poncelet RISEC Project	WPC
05/03/10	WPC	Letter	Received letter from USDC, NOAA to the USCG granting permission for a device to be put into the Tanana River	WPC

Date	Organization	Type	Description	Location of Document
05/05/10	WPC	Letter	Received letter from ADF&G granting permission for continued progress	WPC
5/05/2010	AHWG	Meeting	Discuss methodology to be applied in future meetings to determine the most far-reaching, scientifically valid, cost effective and transferable research topics, objectives and methodology.	Docket
06/03/2010	WPC	DOE Filing	Submitted application to DOE for funding to complete all design and feasibility studies	WPC
08/11/2010	WPC	FERC Filing	Semi-annual progress report	WPC
09/10/2010	DOE	Letter	Received word of grant approval	WPC
10/13/2010	AHWG	Meeting	Alaska Hydrokinetic Working Group Meeting to give updates on the summer's field season and plan ahead for the fall/winter meeting season.	Docket
10/14/2010	AHWG	Conference Call	Update on Project and Connecting to the Grid questions	Docket
10/22/2010	WPC	Letter	Established contact with USCG to determine necessary permitting and demarcation	WPC
12/15/2010	AHWG	Meeting	Alaska Hydrokinetic Working Group Meeting to discuss NW Territories Power Project in the Mackenzie River	Docket
12/24/2010	DOE	Letter	Received Award Funding	WPC
1/11/2011	AHWG	Meeting	Met with representatives from GVEA, ADF&G, DNR, etc to discuss connecting device to GVEA grid	Docket
2/12/2011	WCA Board	Meeting	Met with Hasz Consulting LLC Engineers to discuss project	WPC
3/27/11	WPC	Meeting	Met with AEA to discuss project and funding	
4/2011	WPC	Meeting	Met with Renewable Energy Alaska Project to present the project to investors	
4/26/2011	WPC	Conference Call	Met with Alaska Department of Fish and Game to discuss monitoring plan	



APPLICATION FOR AN ORIGINAL HYDROKINETIC POWER PILOT PROJECT LICENSE FOR THE WHITESTONE PONCELET RISEC PROJECT

FERC Project No. 13305

INITIAL STATEMENT

1. Whitestone Power and Communications (WPC) applies to the Federal Energy Regulatory Commission (FERC) for a hydrokinetic pilot project license, under guidance of FERC's *Licensing Hydrokinetic Pilot Projects* whitepaper, for the Whitestone Poncelet RISEC Project as described herein. The project number assigned by FERC to this project is 13305.

2. The location of the project is:

- a. State or territory: Alaska
- b. County: N/A
- c. Township or nearby town: Whitestone
- d. Stream or other body of water: Tanana River

3. The exact name, address and telephone number of the applicant are:

Whitestone Power and Communications
P.O. Box 1630
Delta Junction, AK 99737
907-895-4938

4. The exact name, address, and telephone number of each person authorized to act as agent for the applicant in this application, if applicable are:

Steven M. Selvaggio
President
907-803-5432

Steven A. Selvaggio
Registered Agent
907-803-3021

Address for both agents is the same as that for the applicant as listed above.

5. The applicant is a domestic non-profit entity and is not claiming preference under section 7(a) of the Federal Power Act. See 16 U.S.C. 796.
6. (a) The statutory or regulatory requirements of the state(s) in which the project would be located that affect the project as proposed with respect to bed and banks and the appropriation, diversion and use of water for power purposes, and with respect to the right to engage in the business of developing, transmitting and distributing power and in any other business necessary to accomplish the purposes of the license under the Federal Power Act, are included along with, (b) The steps which the applicant has taken or plans to take to comply with each of the laws cited:
7. CONSULTATION AND COMPLIANCE

a. Clean Water Act

i. Statutory Regulation

Pursuant to Section 401 of the Clean Water Act, as amended, any activity requiring a federal license or permit that may result in discharge into navigable waterways, requires certification from the state that confirms that any such discharge will comply with applicable state water quality standards. This requires WPC to obtain Section 401 Water Quality Certification prior to issuance of the Pilot Project License and a subsequent Letter of Permission from the USACE under Section 10 of the Rivers and Harbors Act. The project is not subject to the auspices of Section 404 of the Clean Water Act since it requires no excavation of the river bed and will have no discharge of any material into the water.

ii. WPC Consultation and Compliance

WPC has received a Section 10 Letter of Permission from the United States Army Corps of Engineers which precludes the need for a clean water certification since USACE considers the project to have no substantial individual or cumulative effects.

b. Endangered Species Act

i. Statutory Regulation

Section 7 of the Endangered Species Act (ESA) requires an authorizing or acting federal agency to consult with USFWS/National Marine Fisheries Service (NMFS) on any actions that might affect listed species or their habitats. If the authorizing/acting agency or USFWS/NMFS determines an action is likely to adversely affect a species, formal consultation is required with USFWS or NMFS depending on their jurisdiction over the listed

species. Formal consultation consists of submittal by the authorizing/acting agency of a Biological Assessment (BA) for review by USFWS or NMFS. Upon review of the BA, USFWS/NMFS would each prepare a Biological Opinion (BO) which assesses whether the action is likely to jeopardize the existence of the listed species. The BO may include binding or discretionary recommendations to reduce potential impact. An Incidental Take Statement may be attached to the BO if there is potential jeopardy to the species.

ii. WPC Consultation and Compliance

WPC has been advised by the USFWS that there are no endangered species within the proposed project boundary. A copy is provided in the USFWS section of Attachment A- Communication Records

c. National Historic Preservation Act, Section 106

i. Statutory Regulation

Section 106 of the National Historic Preservation Act requires federal agencies to consider the effect of federally permitted projects on historic and cultural resources and requires consultation with the Alaska State Historic Preservation Officer (SHPO) prior to authorizing a project. Compliance with Section 106 of the Act also requires consultation with the tribes in the region. FERC typically satisfies Section 106 requirements for license term through Historic Properties Management Plans developed by the applicant in consultation with SHPO or a Programmatic Agreement to which FERC, SHPO and the Advisory Council on Historic Preservation (ACHP) are typically the signatories.

ii. WPC Consultation and Compliance

As part of a separate project conducted with the Denali Commission from 2007–2009, the Alaska SHPO conducted a study of the proposed project area and concluded that there were no historic landmarks or resources within the proposed project location. WPC has received a letter from SHPO confirming that there are no affected historic properties within the project boundary. This document is available upon request. This location is not part of any tribal lands as shown on the map in Exhibit G.

d. Magnuson-Stevens Fishery Conservation and Management Act
i. Statutory Regulation

The Magnuson–Stevens Fishery Conservation and Management Act requires WPC to consult with the National Marine Fisheries Service to determine whether the proposed project will have adverse impacts to the habitat or migratory paths of fish species which are deemed important by NMFS and which are a food resource.

ii. WPC Consultation and Compliance

WPC has been advised by the National Marine Fisheries Service (NMFS) that there are no concerns regarding the habitat or safety of species protected under the Magnuson-Stevens Fishery Conservation and Management Act, and that they will not require WPC to develop an Essential Fish Habitat Assessment (EFH). These [emails](#) can be found in the in [Attachment A - Communication Records](#), which are organized alphabetically by agency.

e. Coastal Zone Management Act

This statute is not applicable to the Whitestone Poncelet RISEC Project. WPC received a [letter of concurrence](#) from the Alaska Department of Natural Resources. A copy is provided in the DNR section of [Attachment A - Communication Records](#).

f. Alaska Fish and Game Code

i. Statutory Regulation

The Alaska Fish and Game Code (AS16.05.817) gives the Alaska Department of Fish and Game (ADFG) the responsibility of protecting the states wildlife resources. As such, this statute grants ADFG the responsibility of issuing permits for projects which have the potential to impact the wildlife population. State law requires WPC to receive a Title 16 permit from ADFG before beginning construction.

ii. WPC Consultation and Compliance

WPC has received a [Title 16 permit](#) from ADFG. A copy is provided in the DNR section of [Attachment A - Communication Records](#).

g. Alaska Water Use Act

i. Statutory Regulation

The Alaska Water Use Act (Title 46) give the Alaska Department of Natural Resources (DNR) the power to adjudicate water usage rights for waters owned by the State of Alaska. This regulation requires WPC to receive a water use permit from DNR prior to deployment of the proposed project.

ii. WPC Consultation and Compliance

WPC has received the following Title 46 permit from DNR. A copy is provided in the DNR section of Attachment A - Communication Records.

h. Alaska Land Act

i. Statutory Regulation

The Alaska Land Act (Title 38) grants DNR the authority to issue permits for the use of state lands. This statute requires WPC to receive a Land Use Permit from DNR prior to the construction or deployment of the proposed project since the project will be entirely constructed and deployed on state owned land.

ii. WPC Consultation and Compliance

WPC has received the following Land Use Permit from DNR. A copy is provided in the DNR section of Attachment A - Communication Records.

i. Wild and Scenic Rivers and Wilderness Act

This statute is not applicable to the Whitestone Poncelet RISEC Project.

j. Code of Federal Regulations Navigation and Navigable Waterways (Title 33)

i. Statutory Regulation

CFR Title 33 gives the United States Coast Guard (USCG) the responsibility of monitoring the nation's waterways to insure the safety of the public among other concerns. This regulation requires WPC to receive a permit and PATON regulations from USCG prior to deployment of the proposed project.

ii. WPC Consultation and Compliance

WPC has received a permit and PATON specification from the USCG. A copy is provided in the USCG section of Attachment A - Communication Records.

k. Pacific Northwest Power Planning and Conservation Act

This statute is not applicable to the Whitestone Poncelet RISEC Project.

8. Brief Project Description

- a. 100 kW
- b. Check appropriate box:

Existing Dam Unconstructed Dam

Existing Dam, major modified project (see §4.30(b)(14))

Hydrokinetic Pilot Project

9. Lands of the United States affected (shown on Exhibit G):

- a. National Forest: N/A
- b. Indian Reservation: N/A
- c. Public Lands Under Jurisdiction of: N/A
- d. Other: N/A
- e. Total U.S. Lands: 0
- f. Check appropriate box:

Surveyed Land Unsurveyed Land

Construction of the project is planned to start within 18 months and be completed within 24 months from the date of the issuance of the license. In no event will construction begin later than 2 years from the issuance of the license.