

EastLake Business Association's Comments on American Electric Power's Draft Environmental Impact Statement (DEIS)*

* The following observations and comments are based on ELBA's understanding of the DEIS and Tri-County Relicensing Committee's (TCRC) comments directed toward the DEIS.

- There are not enough soil erosion measures or sedimentation mitigation in DEIS.
- Committee structures and composition are not formal enough to manage any projects or mitigation issues.
- AEP provides less than 1% of the Tri-County Lake Administrative Commission's (TLAC) annual operating budget.
- The DEIS only references wave action from boat traffic and wind as a source of shoreline erosion. It does not take into account the 13 foot swing in Lake levels on Leesville and the 5 foot variance on Smith Mountain Lake as the direct result of dam operation.
- The DEIS shows a general passivity on any mitigation issues. If a problem is identified at committee level, there is no formal plan or procedure to solve the problem, alert the public, etc.
- While actions get bogged down in loosely formed committees, the shoreline continues to erode and aquatic vegetation continues to grow (pages 7-10 of the DEIS).
- There is no allowance for dispute resolution on a committee level or any opportunity for public hearings.
- AEP admits to undervaluing Smith Mountain Lake (SML) and Leesville Lake (LVL) as relative to their profits versus the amount of effort being put into managing the Lakes. This undervaluation (pages 11-12 of the DEIS) is important because the Federal Energy Regulatory Commission (FERC) is receiving a lower number to base its valuation of the SML project and, therefore, might not appreciate the power of SML as a profit center and therefore reject TCRC's environmental measures as too expensive.

ELBA's Position on the DEIS

The struggle between American Electric Power and residents/stakeholders in Smith Mountain Lake is not new. For over a decade, as the threat of relicensing loomed in the future, various groups around Smith Mountain Lake have attempted to speak with a collective voice to try to make AEP accountable as "manager" and steward of the Smith Mountain Lake project.

The current plan that AEP is proposing to the FERC has a deadline for comments of August 2010. That **does not** leave a great deal of time for stakeholders and residents around Smith Mountain Lake to have input on the final document that AEP submits to the FERC.

Recently, the TCRC, a group comprised of County officials from Bedford, Campbell, Franklin, and Pittsylvania Counties, commissioned a study entitled "Tri-County AEP Relicensing Committee's Comments Regarding Draft Environmental Impact Statement." This comprehensive 89-page study may be boiled down into several key points that render AEP's proposed license as

unsuitable for the maintenance of the recreational, environmental, and economic needs of Smith Mountain Lake.

The sedimentation that results from river transport and shoreline erosion is a key issue that is not addressed in AEP's Staff Alternative. The erosion components associated with the raising and lowering of water levels due to the dam's release are not referenced as a contributing factor to the decay of the shorelines of Smith Mountain Lake and Leesville Lake. Even though the water levels on Leesville Lake can rise and fall as much as 13 feet per day, AEP's Staff Alternative only cites wave action from wind and boat traffic as the cause.

The committee structure that AEP is proposing to handle issues of mitigation and dispute resolution is too loose to achieve any positive results. In the event that AEP and its committees should identify shoreline erosion as attributable to anything other than boat traffic, the committee structure and arbitration process is so loose that AEP could simply ignore any motions for mitigation. There is no implicit system of checks and balances in AEP's Management Plan. In short, there is the potential for AEP to impede the normal process for mitigation by committee. During the time lag perpetuated by the inefficiencies of their proposed system, the shorelines may continue to erode, weeds/debris may continue to grow, and water quality could continue to suffer. Issues such as these may not be a threat at present, but they certainly warrant consideration for the future management of the Smith Mountain Lake project.

TLAC (Tri-County Lake Administrative Commission) has taken on the burden of managing Smith Mountain Lake. From spraying for aquatic weeds, debris removal, and raising funds for replacement of navigational markers, TLAC was created to fill the void left by AEP. Yet AEP contributes less than 1% of TLAC's annual budget. Further, the Smith Mountain Lake Association also spends significant funding and volunteer hours on the water quality management of Smith Mountain Lake. In 2008, the SMLA spent \$122,000 on Lake management issues, plus over 8,000 volunteer hours. AEP contributed approximately one-fourth of the SMLA's budget, not taking into account the 8,000 volunteer hours.

Fair is fair. AEP profits significantly from the power generation capability of Smith Mountain Lake. AEP ADMITS to undervaluing the funds it generates from Smith Mountain Lake. How can anyone determine the fair price for managing Smith Mountain Lake when all revenues are not quantified?

Further, AEP has established no environmental baseline for the management of Smith Mountain Lake. If Lake levels drop for a prolonged amount of time, there is no plan for repairing the shoreline. There is no plan for replacement of shoal markers. There is no plan for upgrading navigational lights as lake usage increases or as sedimentation clogs navigable channels. If environmental conditions change, AEP has made no plan for reacting accordingly and, further, by their lack of a committee structure for mitigation, they do not have to act. It is a very real

possibility, under AEP's current proposition for management of Smith Mountain Lake, that the Lake level could fall as low as 788' in periods of pumping.

In sum, the implications of AEP's licensing proposal of Smith Mountain Lake to the FERC are multitudinous. They go above and beyond what has just been outlined, and not for the better. It is imperative that every business owner, resident, boat slip renter, and guest on Smith Mountain Lake have at least a basic understanding of the environmental, recreational, and economic impact of AEP's current licensing plan. It is also imperative that these stakeholders in the future of Smith Mountain Lake act NOW by visiting relicensingnews.com to make comments or by emailing comments and concerns to EastLake Business Association at info@eastlake-sml.com.