

DUKE ENERGY'S RELICENSING OF THE CATAWBA-WATEREE SYSTEM

The Federal Energy Regulatory Commission (FERC) requires all non-federal hydroelectric projects to obtain a new license when a project's current license expires. The Federal Power Act, requires that in establishing the conditions of a new license FERC must give "equal consideration" to power production, and non-power benefits such as energy conservation, water quality, recreation and fish and wildlife protection.

Duke Energy obtained its current license for the Catawba-Wateree project (ie. Lakes Hickory, Lookout Shoals and Norman) in 1958. The license was set to expire in 2008; however, FERC has extended the license until its new license is approved. Duke Energy began preparing for its relicensing application in February 2003 when it initiated a public process used to obtain input for developing the terms of its license. Catawba County was actively involved in the process and became a signatory party to the Comprehensive Relicensing Agreement for terms of the new license which was submitted to FERC in August 2006. FERC is reviewing the application and began its public process in 2007 with a final license anticipated to be issued in late 2013.

One of the key negotiated terms of the license was Duke Energy's financial support for the County to acquire a 600-acre tract on Lake Norman for a passive recreation park. The County used an innovative approach to secure additional funding to supplement Duke's financial support in order to acquire the Mountain Creek tract. In April 2007, Crescent Resources sought to receive approval from the County for a rezoning involving two large tracts in southeast Catawba County. As part of the rezoning request, Catawba County required Crescent to include the Mountain Creek property into a negotiated "development agreement." The agreement required Crescent to actively pursue grant funding to support the acquisition of the 600-acre property. With the assistance of Crescent and the Catawba Lands Conservancy, a Clean Water Management Trust Fund (CWMTF) grant was submitted and approved in November 2008. After the State's release of the grant funds, the County closed on the Mountain Creek tract in December 2010.

Another amenity outlined in the Comprehensive Relicensing Agreement was the development of a new access facility on Island Point Road. Duke owns approximately 125 acres that has been set aside for public access, including a swim beach, boat ramp, picnic facilities, fishing piers, trails and restrooms. The Agreement also provides for additional amenities, such as a campground, if a commercial operator is secured by Duke. Due to community concerns, Duke initiated a focus group process in 2009 to develop a site plan and conditions for development of the access site. County Planning staff participated in this process providing information on campground regulations and design standards which have been incorporated into the final report. The final negotiated site plan and conditions will be submitted to FERC and will be part of the conditions of the license when issued.

Following are highlights of the benefits and amenities which Catawba County will receive as a result of its participation in the relicensing process:

- Two swim beaches on Lake Hickory, locations yet to be determined
- Expansion of recreational opportunities at the Oxford access area, including restrooms, picnic areas, bank fishing, trails, and a potential campground
- Recreational flows to support canoe and kayak activities on the river section below Oxford Dam, including the County's Riverbend Park
- An audible warning system below Oxford Dam for fisherman and Riverbend Park attendees to be aware of increased flows being released from the dam
- Financial support for a river trail extending from the County's Riverbend Park
- A mid-point canoe/kayak access on Lookout Shoals Lake
- A Lyle Creek greenway trail connecting the Town of Catawba's Hunsucker Park to the Catawba River
- Financial support for the County to use in negotiating the acquisition of a 600-acre tract on Lake Norman for a passive recreation park
- Overall dependable lake levels on Lakes Hickory, Lookout and Norman
- Continued support from Duke Power on aquatic weed management activities
- A comprehensive shoreline management program which balances private and public lake access with protecting the environmental, public recreational, cultural and scenic values