

Hannah Dodd and Martha Pedziwiatr enjoy kayaking on Lake Keowee this week. The Keowee-Toxaway re-licensing process will affect how the public has access to recreational land over the next 40 to 50 years. MYKAL MCELDOWNEY/STAFF

The lakes' future

SHADOW OF OCONEE PLANT LOOMS AS FUTURE PLANNED

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Nearly half a century has passed since Duke Energy forged its covenants with the public and the government to turn the flow of ancient rivers upstream and usher in the first generation of the atomic age.

Back then, the future of lakes Jocassee and Keowee, both formed by the hand of man to create hydroelectric and nuclear power for the Upstate, was set — and, for many, it would be a lifetime before the course could be charted anew.

That time has come again — and yet again, for many, it's a once-in-a-lifetime opportunity.

Once a month, under the fluorescent light of a Duke Energy conference room in Greenville, an assorted group of stakeholders are negotiating the terms of how the lakes will be managed over the next generation, as Duke seeks to extend its 50-year license to operate its Jocassee and Keowee hydroelectric stations.

The Keowee-Toxaway re-licensing process, as it's called, will be the blueprint over the next 40 to 50 years for how the public has access to recreational land, how wildlife will be preserved and how water will be managed to meet the challenges of increasing demand.

The present is complicated with at least one proposal not avail-

READ THE DOCUMENTS

» Go to GreenvilleOnline.com to read a summary of Duke Energy's first draft of an "agreement in principle" in negotiations with stakeholders for a re-license agreement.
» Read the power company's 1965 release online announcing the preservation of land.

STAY INFORMED

» Sign up to receive electronic updates on the hydro re-licensing process by sending an email to ktrelicensing@dukeenergy.com.
» The next stakeholder team meeting is Oct. 18 at Duke's Wenwood Operations Center in Greenville.
» www.duke-energy.com/lakes/keowee-toxaway-relicensing.asp.

$2.50 Sunday

able to the public.

The past is inescapable as locals who were around 50 years ago say Duke didn't fulfill all of its promises — a contention the company disagrees with — and should do so now.

As for the future: When Oconee Nuclear Station ultimately meets its end, in what way will any of this matter?

Shadow of Oconee

The issues in the hydro re-licensing are important enough: New dock permit fees for habitat preservation, intricate lake-level management formulas, terms of land leases.

Study upon study will lead to compromise and, inevitably, a new operating license in 2016.

However, for all the forecasting and planning of the hydro stations, any transformational discussion on Oconee Nuclear Station's future is noticeably absent.

Oconee — commissioned in 1973 as one of the first mighty projects of America's nuclear golden age — recently secured a separate license that extends its operating life into 2034, well before the impending hydro license would expire in 2066.

The question of what will happen when the triple-reactor nuclear plant on the shores of Lake Keowee is decommissioned looms large — but there is no precedent for managing the station's eventual demise.

Beginning next year, Oconee will operate on a 20-year nuclear license extension granted by the Nuclear Regulatory Commission.

No one knows how much longer a 60-year-old plant like Oconee could operate, because "you're really looking at a plant that is on the front end of the large-scale commercial nuclear plants," said Roger Hannah, an NRC spokesman in Atlanta.

"The commission has not completed the technical basis for allowing a plant to operate past 60 years," Hannah said. "There are really very few engineering limitations. You can replace everything to the point that it's practically brand-new."

However, financial decisions will be the engine ultimately determining Oconee's fate.

"Does it make sense to invest money to keep this plant in proper working order," Hannah said, "or would that money be better spent doing something else?"

As of the start of this year, more than $2 billion sits in a mandatory "decommissioning fund" Duke maintains for the sole purpose of shutting down its nuclear stations — Oconee, Catawba and McGuire, said Sandra Magee, Duke's nuclear spokeswoman.

The fund grows through its earnings and from fees charged to ratepayers, and the NRC reviews the balance every two years, said Magee.

Oconee could be entombed or kept in "protective storage" for 60 years and monitored by security until the plant's radioactivity decreases to the point its components can be taken apart and decontaminated, said Magee.

The site could then be used for other purposes, she said.

Power needs

The end of Oconee would put the broader future management of the lakes into question, said Tom Clements, nonproliferation policy director for the Alliance for Nuclear Accountability watchdog group.

Power companies are loathe to invest money into managing dormant reactors, Clements said.

"There's definitely an effort to pull as many resources as possible away from these old reactors because they are a financial liability," he said. "So in any planning for the lakes around the Duke reactors, it's going to have to be assumed that when the reactors close, Duke is not going to want to put a lot of money into maintaining a closed reactor site, because it would be a financial liability and not an asset."

The prospect of new nuclear reactors — such as the two reactors approved at the V.C. Summer plant north of Columbia — typically focuses on old reactor sites, Clements said.

New nuclear is an option at Oconee, Magee said, though no decisions have been made.

If Duke were to abandon the lakes as a source of power production, it would have to submit an application to surrender the license, Magee said.

The Federal Energy Regulatory Commission "would then decide what requirements we would have for lake management at that time," she said.

Regardless, if Duke were to shut down Oconee, another "workhorse" would have to take its place, Duke spokeswoman Erin Culbert said.

Oconee has the ability to power 1.9 million homes.

Hydroelectricity, which is created as moving water powers turbines, accounts for no more than 25 percent of output, usually to supplement peak usage.

Perhaps more importantly, the lake water is essential to cooling Oconee's reactors.

While nuclear is efficient, it isn't the only option Duke is banking on, Culbert said.

Coal plants are capable of producing the same amount of power that Oconee generates, though coal presents environmental challenges, she said.

Natural gas has proven a cheap and clean alternative for now, she said, but its prices have been volatile in the past.

Meanwhile, the hydro re-licensing plan has accounted for the potential absence of Oconee, Culbert said, by estimating the amount of water needed to generate a certain amount of megawatts.

The Oconee question is "neither here nor there" in moving forward on the hydro re-licensing, she said.

New deal

This month, the group tasked with negotiating a final agreement with Duke — necessary to secure a license by the time the current one expires in 2016 — have been given a 75-page "trial balloon" document, a non-binding "agreement in principle" that offers the first stab at reaching a compromise on Duke's license.

The full document isn't available to the public, Duke said, for fear that outsiders who haven't been immersed in the stakeholder negotiations for the past three years will latch onto concepts that are entirely preliminary.

"We certainly want to be transparent about the process," Culbert said, "but we don't want folks in the public to get particularly tied to certain concepts, because the final re-licensing agreement could wind up being much different than the one we shared with stakeholders."

However, the company has offered a summary of the document that reflects the interests of environmental groups, lake residents, historic preservationists and governmental natural resource management agencies, among dozens of others.

Throughout, funding levels are labeled "to be determined" as dollar amounts will be introduced nearer the final stages of the agreement with Duke, said Jeff Lineberger, Duke's director of Hydro Strategy and Licensing.

The group is scheduled to sign an agreement in November 2013 that will be submitted as an application to the Federal Energy Regulatory Commission the following year.

Preliminarily, according to its summary, Duke has offered to file a new recreation plan to offer facility enhancements for the first 20 years in five-year increments.

The enhancements include a new courtesy dock at the main ramps of Devil's Fork State Park on Jocassee, along with a designated area for divers who frequent the

lake's uncommonly deep waters.

Funding would be provided to develop camping and non-motorized boating facilities at Keowee-Toxaway State Park.

Leases would be extended until 2046 for Devil's Fork, South Cove Park, High Falls, Mile Creek Park and Warpath Marina, with caveats for usage.

Islands in both lakes would be retained for public use over the course of the license, and the access areas will be designated as open for bank fishing.

Duke would offer new leases to 283 acres of land not currently available, for the development of additional recreation facilities that would be managed by government agencies.

They include the Bootleg access area (to the state Department of Natural Resources), land adjacent to Double Springs Campground (to the Department of Parks, Recreation and Tourism), and Fall Creek, Keowee Town, Stamp Creek and Cane Creek (to Oconee County).

Two other properties within the Jocassee Gorges Wildlife Management Area — 46-acre Licklog and 21-acre Dismal Creek — would be offered on "low-cost leases."

The license would set out guidelines on shoreline use, including a provision that would require pier owners to remove "un-encapsulated foam" on piers by 2018 and that would allow pier owners to unpin their docks and "follow the water" as the lakes rise and fall.

A program to enhance the wildlife habitat would be funded by a new-and-rebuilt-pier permit fee beginning in September 2014 and a one-time Duke Energy contribution, both in amounts to be determined.

Parties agreeing to the license would help govern how the fees are spent.

Varying formulas are prescribed for how lakes will be drawn down in drought conditions and how much water is released to reservoirs downstream in the Savannah River Basin that are struggling to refill.

The one requirement: Stakeholders must sign on and advocate Duke's request for a license that will extend the life of its Jocassee and Keowee hydro stations for the next 40 to 50 years.

Early pact

Ted Shehan, a former mayor of Pickens, remembers in 1965 when word was getting around that the power company was damming up the valley.

Long-treasured rivers among the greatest streams in America would reverse course: Toxaway, Whitewater, Thompson and Horsepasture.

People would be moved. Land would be razed clear. Memories would be buried beneath the emerald waters.

"It was an exciting time around Pickens," said Shehan, who now runs a cattle farm. "We knew we were going to lose a lot, but there was a lot we were going to gain."

However, Shehan said the public didn't get what it was promised.

Those in Shehan's camp point to a public relations document released in January 1965, in which Duke Power (as it was known then) announced the establishment of a 68,000-acre game refuge and the acclaim from sportsmen and conservationists that followed.

The original license itself called for the preservation of between 60,000 to 74,000 acres, said Dana Leavitt, Land Trust and Special Projects director for Upstate Forever, a stakeholder in the re-licensing process.

The 68,000-acre "Horsepasture Game Management Area" was part of more than 100,000 acres purchased for a $700 million "giant steam and hydroelectric power generation project on the Keowee River," according to the release.

Like today, the company initiated a study of how best to manage the land in the lead-up to its pending application to the Federal Power Commission to build two dams.

Public boat launches, marinas, trails and camping would be made available, with hopes "that private enterprise will develop much of the area's recreational potential."

"We realize that much of the land surrounding our proposed power impoundments is wild, scenic and attractive to the public," Duke's manager of real estate at the time, Carl Blades, said in the release, "and we intend to continue our policy of making it available for public use. Anything that is compatible with good forestry management and the productivity of our lakes is fine with the company, and hunting and fishing and other recreational uses are compatible."

In the release, the director of the South Carolina Wildlife Federation, John Seaborn, said that the refuge would be Duke's "legacy to untold millions of people in the years to come."

Duke didn't follow through, Shehan said.

The land was bought at $83 an acre, he said.

In the time since, the public has only had use of about 40,000 acres, including land that the state bought back from Duke as part of the 43,500-acre Jocassee Gorges preservation area in South Carolina, Leavitt said.

That land, Shehan said, was sold to the state for $2,000 an acre when the Gorges purchase was settled in 1999.

"I don't know if it's good business, or corporate greed," he said.

However, today Duke points to calculations that it says shows nearly 88,000 acres have been preserved for the public, far more than the 60,000 to 74,000 acre figure mentioned in its negotiations 50 years ago.

The company can identify through its records 61,000 acres available for public use, said Culbert, the Duke spokeswoman.

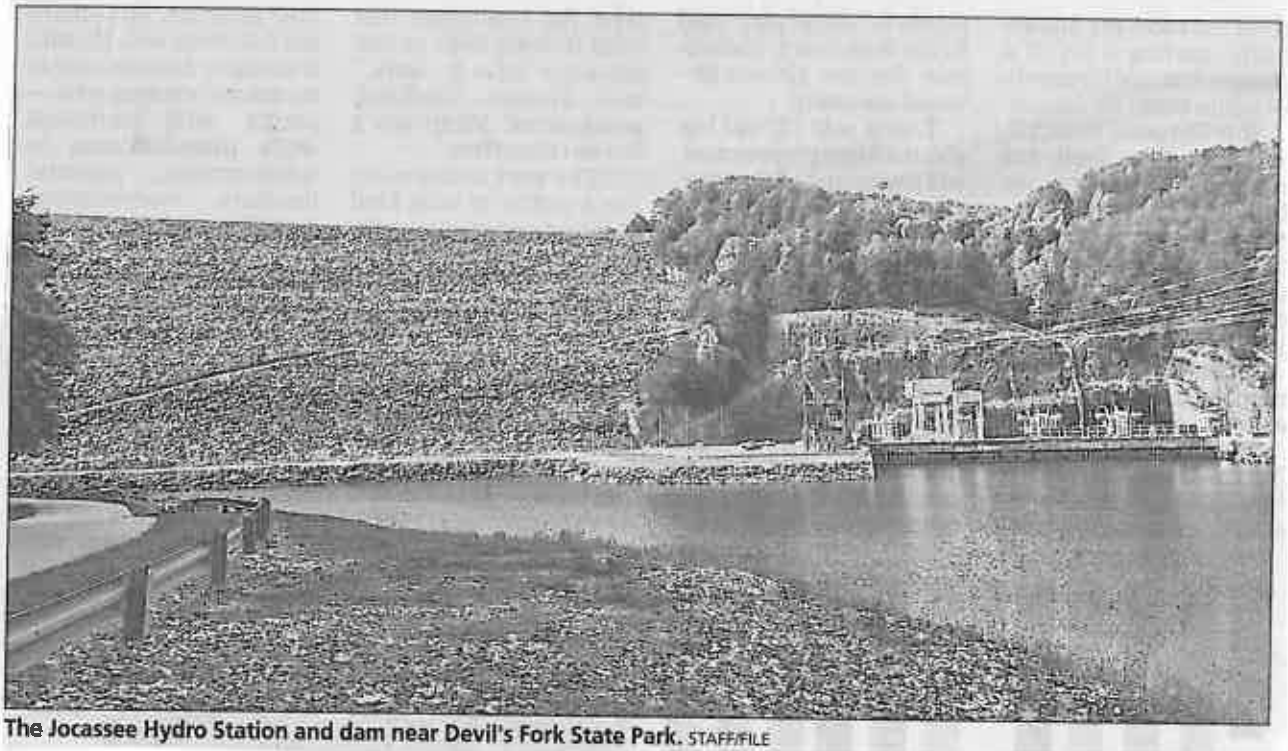
When adding the surface area of the lakes themselves and 1,100 acres of recreation areas, the total reaches the 88,000 acre figure, Culbert said.

"We do not know the origin of the 40,000-acre figure that we've heard repeated," Culbert said.

The 68,000 acres of wildlife area was governed by a 10-year lease Duke agreed to as part of its 1965 hydro license application, a lease the company didn't commit to renew, Culbert said.

The original license application didn't specify a certain acreage total for public recreation, only the number of access areas and the amenities the company would provide, she said.

"We understand there is considerable passion around this issue," Culbert said. "We've taken that to heart and have researched this extensively. We continue to feel confident we've more than met the original and continuing license commitments regarding providing land for public recreation."



The Jocassee Hydro Station and dam near Devil's Fork State Park. STAFF/FILE



JESSICA NELMS | THE JOURNAL

Searching for food

A heron walks along the shore looking for its next meal in South Cove Park recently.