

December 20, 2013

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

**SUBJECT: Hawks Nest Hydroelectric Project (FERC No. 2512)
Glen Ferris Hydroelectric Project (FERC No. 14439)
Integrated Licensing Process Study Progress Report #3**

Dear Secretary Bose:

Hawks Nest Hydro, LLC (Hawks Nest Hydro), a subsidiary of Brookfield Renewable Energy Group, owns and operates the Hawks Nest Hydroelectric Project (Hawks Nest) (FERC No. 2512) and the Glen Ferris Hydroelectric Project (Glen Ferris) (FERC No. 14439) (collectively, the “Projects”) in Fayette County, West Virginia. The Projects are licensed by the Federal Energy Regulatory Commission (“FERC” or “Commission”) in accordance with the Commission’s delegated authority under the Federal Power Act. Hawks Nest Hydro is currently pursuing a new license for the Projects under the Integrated Licensing Process (ILP) described at 18 CFR Part 5 of the Commission’s regulations. Accordingly, Hawks Nest Hydro has initiated the resource studies detailed in its May 6, 2013 Revised Study Plan (RSP) and approved (as filed) by the Commission’s May 31, 2013 Study Plan Determination.

Pursuant to 18 CFR § 5.15(b) and the RSP, Hawks Nest Hydro is providing this third ILP Study Progress Report for the Projects. This progress report describes the activities performed since the October 1, 2013 filing of the ILP Study Progress Report #2, as well as study activities generally expected to be conducted in the near-term in support of relicensing the Projects. Unless otherwise described, all relicensing studies are being conducted in conformance with the approved RSP and the Commission’s Study Plan Determination.

Water Quality Study

- All water quality monitoring was completed the last week of October 2013. This included retrieval of all continuous monitoring equipment and final *in situ* grab samples.
- As mentioned in the second ILP Study Progress report, a period of sustained low river flows during peak summer conditions did not occur in 2013, as the region experienced a rainy and relatively cool summer. This general condition, combined with higher-than-usual flows in the Hawks Nest bypass reach from July through August 2013, precluded safe conduct of the one-week diurnal water quality monitoring described in the RSP. Stable low flow conditions did not occur until September 2013. Accordingly, in the previous progress report, Hawks

Nest Hydro has made FERC staff and stakeholders aware of this variance to the Revised Study Plan, and described how the variance would be addressed.

- Expected activities to occur in the next quarter include continued data processing, analysis, and development of the draft study report.

Fish Entrainment Study

- Hawks Nest Hydro is still conducting field planning activities, including coordination to perform onsite intake velocity measurements, potentially in winter 2013-2014. This field effort requires appropriate and safe river flow conditions to conduct the measurements, which have yet to exist thus far during this reporting period, as well as coordination with West Virginia Alloy's generation needs and ongoing dam rehabilitation construction activities.
- Desktop study activities associated with the Fish Entrainment Study are currently in progress, and, assuming intake velocities can be safely collected in winter 2013-2014, development of the draft report is presently anticipated in the second quarter of 2014.

Aquatic Species Composition and Abundance Survey

- Desktop study activities associated with the Aquatic Species Composition and Abundance Study are currently in progress, with a draft report presently anticipated in the second quarter of 2014.
- Tasks recently conducted or on-going include verification of all fish voucher specimens, data analysis, and report preparation.

Rare, Threatened, and Endangered Aquatic Species Study

- Desktop study activities associated with the Rare, Threatened, and Endangered Aquatic Species Study are currently in progress.
- This study will utilize results from the various studies conducted in 2013, including all aquatic resource studies, water quality, and the aquatic habitat and instream flow study.
- Pending progress and compilation of data from these various studies, it is presently anticipated that a draft report will be prepared in the second quarter of 2014.

Bypass Reach Aquatic Habitat Use/Instream Flow Study

- Aerial imagery and LiDAR topographic data were contracted to be collected by a vendor for the extent of the selected Cotton Hill study site (site described in the RSP). The purpose of this effort is to collect a large percent of the topographic data more efficiently (in-lieu of a traditional survey) and to inform the 2-dimensional model development process. Aerial imagery was successfully collected on November 21, 2013 and LiDAR

data is scheduled for collection in the winter of 2013-2014 during minimum or near-minimum flow conditions (100 cubic feet-per-second [cfs]).

- Model validation data collected in the previous quarter was processed and archived for use in model development process.
- Expected activities to occur in the next quarter include processing the LiDAR data and imagery to locate areas of topographic void where additional field survey may be necessary to complete the topographic model. The model will be completed using terrestrial and bathymetric survey techniques that are presently anticipated to be completed by the second quarter of 2014, depending on climate and flow conditions. Additional field work for 2014 will include the mapping of substrate and cover data within the study site, which will likely be collected in the same timeframe as the survey data.

Wetland and Riparian Habitat Survey

- Fieldwork is complete for this study; geographic information system (GIS) field data and other data are being compiled and reviewed.
- It is presently anticipated that a draft Wetland and Riparian Habitat Study Report will be prepared in the second quarter of 2014.

Rare, Threatened, and Endangered Terrestrial Species Study

- Fieldwork is complete for this study; GIS and other data are being compiled and reviewed.
- It is presently anticipated that a draft RTE Terrestrial Species report will be prepared in the second quarter of 2014.

Recreation Flow Assessment Study

- Hawks Nest Hydro continued to monitor hydrologic conditions on the New River and consult with the Recreation Study Working Group regarding completion of the four remaining controlled flow releases of 1,500 cfs, 2,000 cfs, 2,500 cfs, and 3,000 cfs.
- Consultation with the Recreation Study Working Group indicated that the annual recreation boating season on the New River typically ends in October for most users and outfitters. Discussions with the Recreation Study Working Group indicated that many commercial outfitters that participated in the previous flow releases of 500 cfs and 1,000 cfs may not have staff, vehicles, or equipment available for flow releases after November 1. Further, combined water and air temperatures during the winter months could pose unsafe conditions which made scheduling the remaining controlled flow releases impractical for the winter. While Hawks Nest Hydro attempted on multiple occasions to schedule flow releases during October 2013, hydrologic conditions and precipitation amounts made the controlled flow releases infeasible. As a result, the remaining controlled flow releases will be scheduled for 2014 pursuant to the RSP.

- Hawks Nest Hydro has also continued to maintain the extended whitewater evaluation survey available on Hawks Nest Hydro's public relicensing website (<http://hawksnestandglenferris.com>). Hawks Nest Hydro has not received any completed extended whitewater evaluation surveys to date.
- Expected activities to occur in the next quarter include continued processing and summary of survey responses collected to date, and ongoing coordination with the Recreation Study Working Group regarding the 2014 controlled flow releases.

Recreation Use and Needs Assessment Study

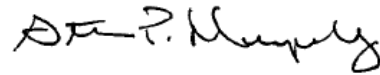
- Hawks Nest Hydro continued the supplemental recreation facility data collection as described in the RSP, including the collection of General Recreation Visitor Questionnaire surveys from drop boxes near the Cotton Hill and Hawks Nest powerhouse recreation areas. Over the past several months, more than 140 completed survey forms have been collected from the drop box locations.
- At the request of the New River Alliance of Climbers, Hawks Nest Hydro has agreed to maintain the survey forms and drop boxes at the Cotton Hill and Hawks Nest powerhouse locations over the winter months.
- Activities expected to occur in the next quarter include:
 - Initiation of the County Resident Users Survey as described in the RSP to survey residents in Fayette County who may recreate on Project waters or at Project facilities; and
 - Initiation of a web-based survey to collect data regarding recreational activities, visitor perceptions, and management policies at the Projects from federal, state, and local agency representatives, non-governmental organizations, and commercial recreational equipment providers who offer, manage, or have knowledge of Project recreation facilities and amenities.

Cultural Resources Study

- Hawks Nest Hydro completed fieldwork associated with the Phase I Archaeological Identification Survey and the Cultural Historic Survey for the Projects' area of potential effects.
- Activities expected to occur in the next quarter include preparation and distribution of a draft Phase I Archaeological Identification Survey and the Cultural Historic Survey study reports to consulting parties, including the West Virginia State Historic Preservation officer and federally recognized Indian tribes.

As always, I welcome the opportunity to discuss the ongoing relicensing process or the progress of ongoing studies with you further. If you have any question regarding this progress report, please feel free to contact me at (315) 598-6130.

Respectfully,

A handwritten signature in black ink, appearing to read "Steven P. Murphy". The signature is fluid and cursive, with the first name "Steven" and last name "Murphy" clearly legible.

Steven P. Murphy
Manager, Licensing
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Cc: S. Ames (Brookfield)
S. Kulpa (HDR)

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