Reynolds Creek Hydroelectric Project

Project Status

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Project Manager

Haida Corporation

- Located in Hydaburg on Prince of Wales Island in SE Alaska
- Hydaburg population = 350 people (called Kaigani Haida)
- Hydaburg is largest Haida Village in Alaska
- Subsistence and Commercial Fishing Lifestyle
- Substantial Timber Holdings
- Hydaburg has Excellent School System

Haida Energy, Inc.

- Joint Venture
- Incorporated October 15, 2009, in Alaska
- Ownership: 75% Haida Corporation, 25% Alaska Power & Telephone Company (local utility)

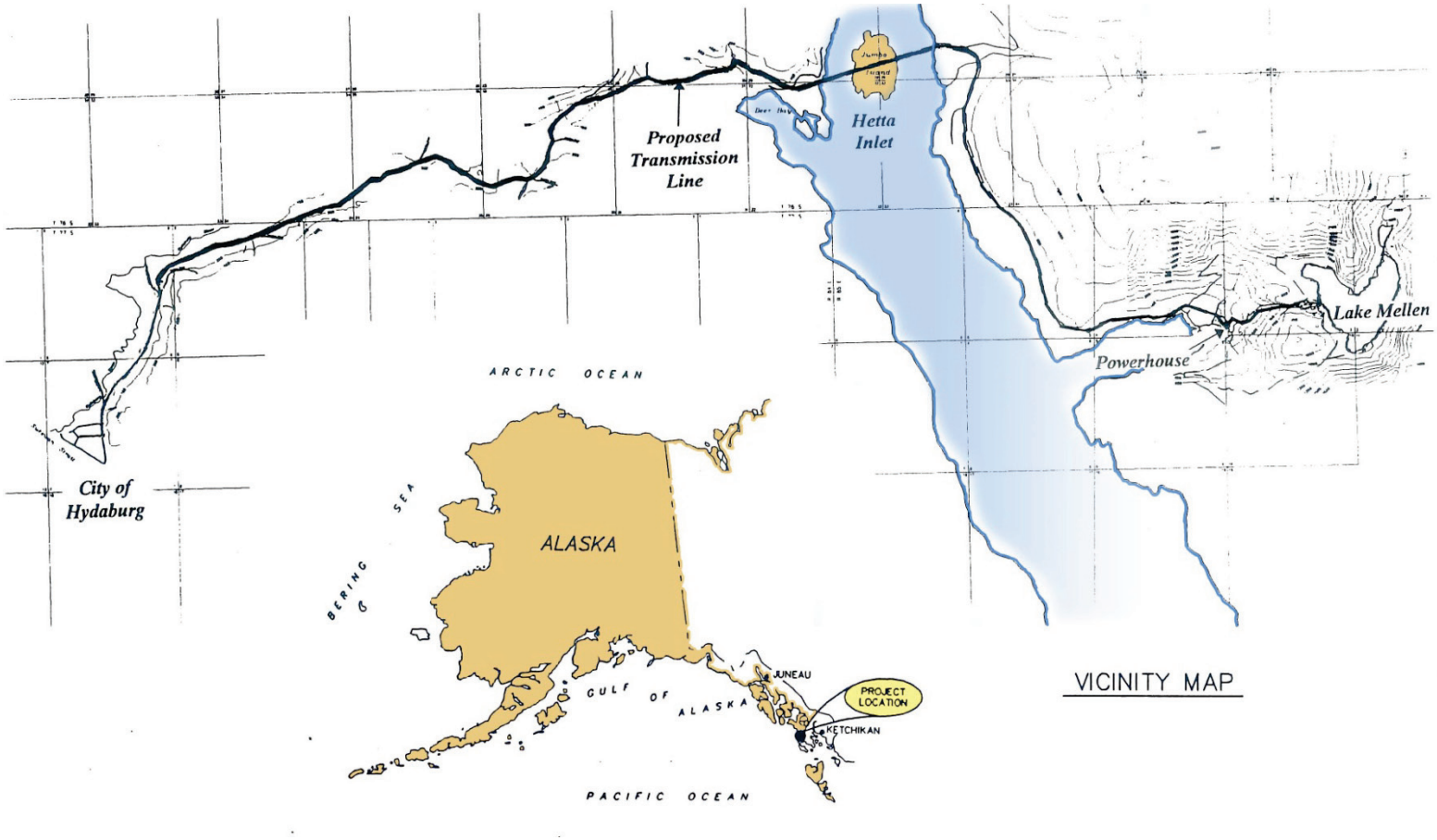
Reynolds Creek Project Team

- Lead Consultant – HDR Engineering, Inc.
- Economic Feasibility/Financing – Financial Engineering Company
- FERC Licensing – GKRSE Law Firm, Washington, D.C.
- JV Agreements – Kemppel Huffman & Ellis law firm, Anchorage
- Pentec – Fisheries
- Sentec – Surveying
- Shannon & Wilson – Geotechnical Studies

Prince of Wales Island

- Third Largest Island in United States
- 135 miles x 45 miles
- Population = 6,000
- Economy Centers on Fishing, Timber, & Tourism
- 2008 Energy Consumption = 26,313 MWh
- Two Existing Hydro Projects: Black Bear Lake (4.5 MW) and South Fork (2.3 MW)
- Remainder of Generation is Diesel-fired

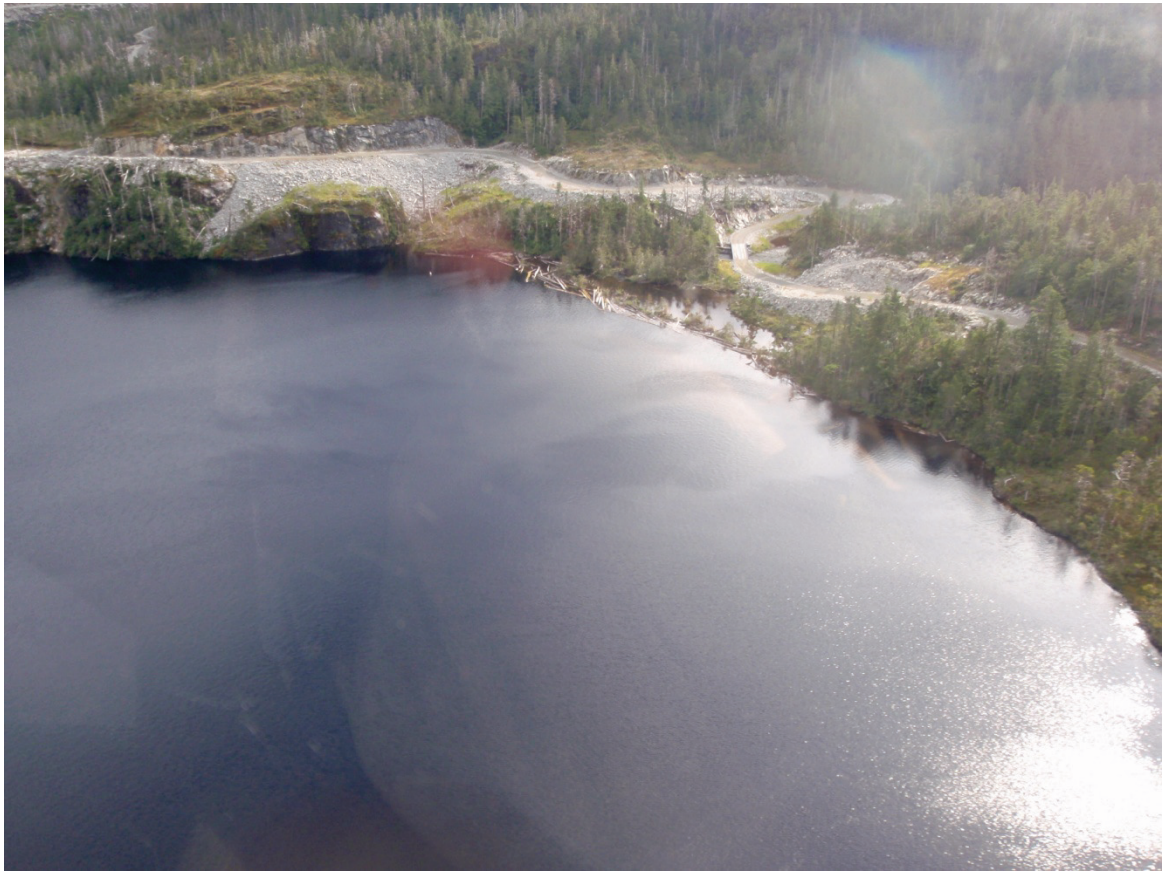
Project Location



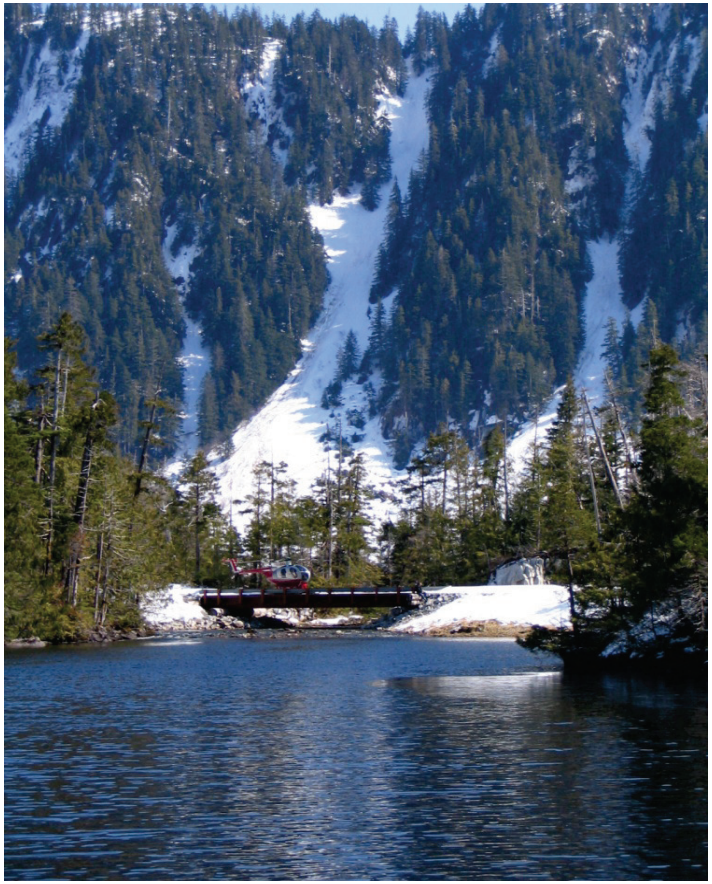
Principal Project Components

- 28-ft-long, 6-ft-high Diversion Structure at Outlet of Rich's Pond
- Lake Mellen/Rich's Pond provide 600 acre-feet of storage
- 42-inch diameter, 3200-ft-long Penstock
- Powerhouse (One 5 Megawatt Unit)
- 34 kV, 10.9-mile-long Transmission Line

Lake Mellen Outlet



Rich's Pond Inlet

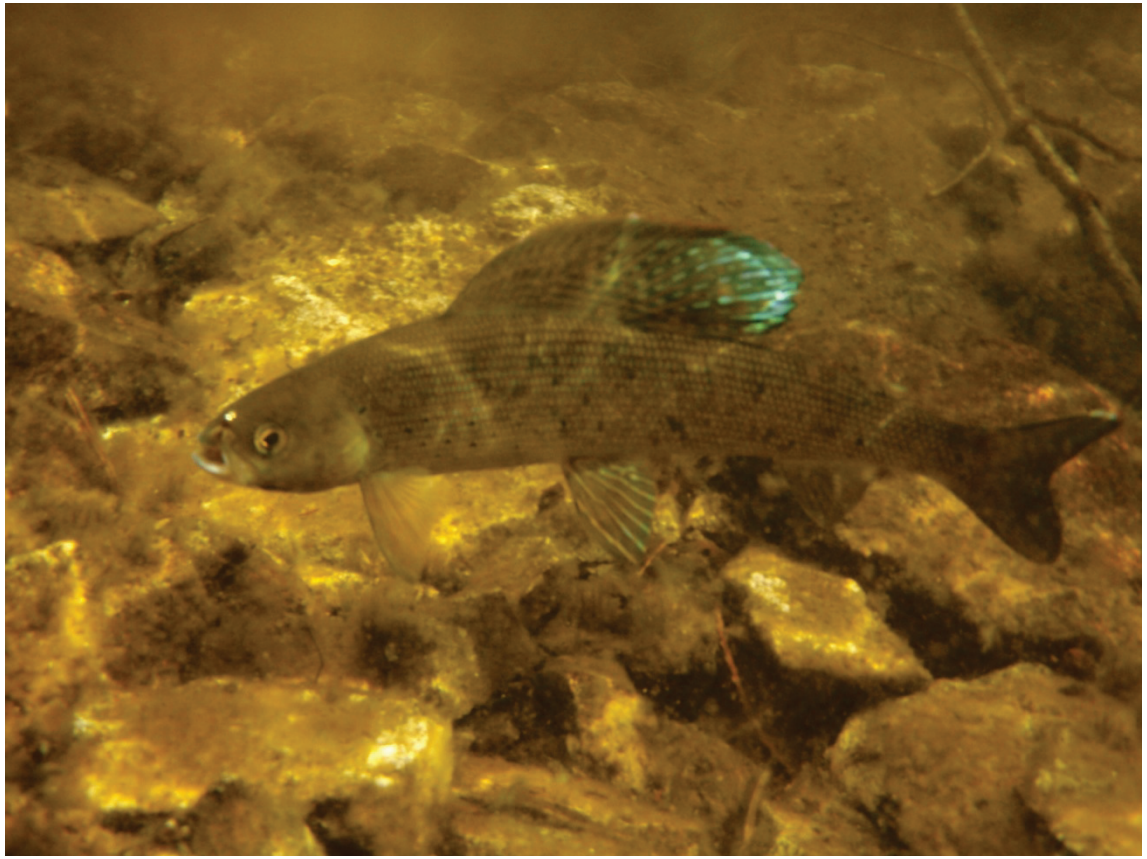


Rich's Pond

Rich's Pond Outlet

Snorkeling

Grayling in Rich's Pond



Upper Reynolds Creek

Bypass Reach

Anadromous Barrier

Lower Reynolds Creek

Copper Harbor

Project Characteristics

- Approximately 750 feet of Head
- Average Annual Energy Production =

  19.3 million kilowatt-hours
- Land Owned by Haida Corporation and Sealaska – both Alaska Native Corporations
- Alaska Power Company will Construct, Operate, and Purchase Power
- Will Allow All Interconnected Portions of Prince of Wales Island to be Supplied by Hydropower

Project Characteristics (Continued)

- Minimal Environmental Impact
- Will Utilize Existing Logging Roads for Access
- Fish in Reynolds Creek drainage = artic grayling, Dolly Varden, cutthroat trout, pink and chum salmon, and steelhead
- Terrestrial species include Sitka black-tailed deer and black bear

Major Approvals Received

- FERC License (Project No. 11480)
- Corps of Engineers Permit
- Fish Habitat Permit
- Coastal Zone Consistency Determination

Current Activities

- Completing Final Design
- Construction Planning
- Transferring FERC License and Permits to Haida Energy
- Completing Remaining Submittals Required by FERC License
- Completing Land Lease Agreements
- Applying for Easements from Alaska Department of Natural Resources
- Completing Project Financing

Project Cost Estimate

Prepare for Construction	$ 4,145,000
Construction Management	$ 500,000
Mobilization	$ 700,000
Access Facilities	$ 1,000,000
Diversion Structure	$ 1,000,000
Penstock	$ 3,000,000
Powerhouse	$ 4,000,000
Transmission Facilities	$ 2,500,000
Completion	$ 300,000
TOTAL COST	$ 17,145,000

Major Future Milestones

- Complete Final Design - December 2009
- Order Turbine/Generator – January 2010
- Begin Construction – April 2010
- Begin Operation – Late 2011/Early 2012