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FEDERAL ENERGY
REGULATORY COMMISSION

30 April 2008

The Secretary
Federal Energy Regulatory Commission
ATTN: DHAC, PJ-12.2
888 First Street, NE
Washington, DC 20426

RE: Chakachamna Hydroelectric Six Month Report
Project #12660-000 - Alaska

Dear Secretary:

Pursuant to Article 4 of the Preliminary Permit issued to TDX Power, Inc. on November 14, 2006, please find enclosed for this filing our Six Month Progress Report for delivery to the Director, office of Hydropower Licensing.

This report has been prepared by Eric Yould, Project Director, TDX Power, Inc. All questions can be directed to Mr. Goodman or Eric Yould at (907) 762-8465.

Respectfully Submitted,

A handwritten signature in black ink that reads "Nicholas Goodman". The signature is written in a cursive, slightly slanted style.

Nicholas Goodman
TDX POWER, INCORPORATED

Enc. (as stated)

Cc: FERC Regional Office, Portland, OR
Cook Inlet Keeper
US Department of the Interior
National Oceanic and Atmospheric Administration

**CHAKACHAMNA HYDROELECTRIC PROJECT
THIRD PROGRESS REPORT
May 14, 2008
Project No. 12660-000 – Alaska
TDX Power, Inc.**

1. General

This six-month progress report is prepared in accordance with the requirements of Article 4 of the Preliminary Permit issued to TDX Power (TDX) by the Federal Energy Regulatory Commission on 14 November 2006.

2. Liaison Officer

The Commission Liaison Officer for the Chakachamna Hydroelectric Project is:

Nicholas Goodman
TDX Power, Inc.
4300 B Street, Suite #402
Anchorage, AK 99503
(907) 278-2312

3. Schedule of Submitting License Application:

TDX anticipates that a license application for the project will be submitted on or before 1 November 2009.

4. Summary of Consultation during the Past Period

TDX Power conducted numerous meetings with parties that would have an interest in the Chakachamna hydropower project. The purposes of the meetings was to inform those in attendance on the Chakachamna project, answer questions based on what is presently known about the project, inform them of the FERC study process and how they can be included in all communications, and to request any pertinent information on the project or general location of the project that could be included in the information data base for all to use.

Meetings with Federal and State government leaders included meetings in Washington DC with Alaska's Congressional Delegation to apprise them of the project and later several trips to Alaska's capital in Juneau to brief individual law makers and to testify on the project during committee hearings. Similarly, meetings were held on several occasions with the State Executive branch. All meetings at the State and Federal legislative and Executive branch levels were well received and there was strong encouragement to proceed with project investigations.

In addition to its political leaders, TDX power also met with appropriate State and Federal agencies to inform them of the project, resource information that is available, the FERC licensing process, and to solicit any information that they might be aware of that could be shared with the TDX team and other interested parties. This included meetings within the State Department of Fish and Game, Department of Community and Economic Development, the Department of Natural Resources, and the Department of Environmental Conservation. Meetings with Federal agencies included the U.S. Army Corps of Engineers, Environmental Protection Agency, and several agencies within the Department of Interior including the US Fish and Wildlife Service, National Park Service, U.S. Forest Service, and the National Marine Fisheries Service.

A group meeting was held with representatives from the following organizations: National Wildlife Federation, Alaska Coal Work Group, Alaska Center for the Environment, Alaska Conservation Alliance, Trustees for Alaska, Sierra Club, Hydropower Reform Coalition/Natural Heritage Institute. Other interested parties attending meetings included representatives from the Kenai Peninsula Borough, Coastal Zone Management Commission, Kenaitze Indian Tribe, and the Kenai River Center.

During this period, TDX also gave public presentations on the Chakachamna project to the Renewable Energy Alaska Project, the Railbelt Energy Grid Authority Technical Conference, the University of Alaska Fairbanks Renewable Energy Teach In, the Alaska Forum on the Environment, Alaska Conservation Alliance, the Tri-borough Council, and Alaska Common Ground. These presentations allowed TDX to disseminate information on the project and to gain direct feedback on issues important to those in attendance.

Finally, TDX met with representatives from Tyonek Native Corporation to brief them on the project and to learn of their concerns and interests. TNC is the closest native group to the project and could be directly impacted by pre-licensing activities and project development. In addition to potential socioeconomic impacts, access roads and the project transmission line may directly impact TNC land.

5. Studies Conducted During the Past Period:

During this past period, TDX has entered into a Memorandum of Understanding with a potential partner that has focused efforts on in-depth due-diligence of the project. A multidiscipline team of engineers and scientists visited the site in late November for the purpose of better understanding the physical setting and to gather geotechnical information that would help in updating technical and economic aspects of the project. The subsequent overall technical, economic, market, and environmental assessment of the project has allowed both TDX and its potential partner to update much of the information that is presently in the public domain. The parties reviewed the environmental issues raised by agency, public, and special interest group meetings and established new design concepts to address relevant issues.

Significant environmental enhancement features appear possible, which, when coupled with a re-scoping of certain project features has resulted in significant cost savings and enhanced economic viability of the project. In addition to the due-diligence studies, TDX has hired the services of HDR Alaska to begin scoping of environmental studies that will address those issues raised by agencies and other interested parties. TDX has also benefited from the engineering and geotechnical assessments provided by Hatch Acres. Updated cost estimates based on more modern tunnel

boring technology, and a more accurate understanding of site geology have resulted in higher confidence cost estimates.

Follow on market analysis and rate analysis was conducted to frame the anticipated market price for power from this project.

Initial project scoping is in process to define the three-year study requirements in preparation for FERC scoping sessions and ultimately field investigations and submittal of a License Application.

Having concluded the requirements of the Memorandum of Understanding mentioned above, both TDX and its potential partner are in negotiations that should form the long-term business relationship by which the partners would conduct preconstruction evaluation and license application, and ultimately project development.

6. Outline of Engineering, Environmental, and Other Investigations to be Conducted During the Ensuing Six Month Period:

Determination of project feasibility, including market availability and preliminary costing will continue through this period. Once project feasibility is confirmed, site-specific environmental studies will commence.

7. Summary of Consultations That Will Take Place During the Ensuing Six Month Period:

Meetings with federal, state, and borough agencies with land use jurisdiction, as well as local landowners, the general public, and special interest groups will be continued.

8. Assessment of the Feasibility of the Project

Based on revised cost estimates and review of the area market, the project appears to be economically feasible when weighed against viable options. No effort has been made at this early date to assess financial viability.