Lower Flathead River Before Kerr Dam

Significant sight from cultural, religious, and resource purposes
CSKT

Our People

- The Tribal confederacy is comprised of the Bitterroot Salish, the Pend d’Oreille, and the Kootenai Tribes.
- Historically, the three tribes were allies with ancestors who shared territory in areas now known as western Montana, parts of Idaho, British Columbia, and Wyoming.
- Presently, there are approximately 7,500 Tribal members.
The Tribes preserved the Flathead Indian Reservation as a permanent homeland for Tribal people by the terms of the Hellgate Treaty of 1855.

The Reservation is 1.317 million acres in size. Although the Reservation was opened to non-Indian settlement as a result of historic federal policies, CSKT has diligently protected its ownership interests and diligently pursued reacquisition of federally-divested interests so that CSKT now owns over 70% of Reservation lands including the bed and banks of the south half of Flathead Lake.

The Reservation is located in the mountains and valleys of Northwest Montana in the upper Columbia River Basin.

The Kerr Plant is located on CSKT-owned land on and adjacent to the Flathead River six miles downstream from Flathead Lake.
CSKT

Our Government and Businesses

- The Hellgate Treaty establishes the Tribes as a sovereign entity and formalizes our government-to-government relationship with the United States.
- The Tribal government was established in 1934 pursuant to the terms of the Indian Reorganization Act; CSKT is a constitutional government governed by a popularly-elected ten-member Tribal Council.

- CSKT administers 30 government agencies with a collective annual budget of approximately $146.3 million and employs approximately 1,200 government workers.
- CSKT owns six for-profit businesses engaged in banking, electronics manufacturing, information technology, engineering, aerospace, environmental restoration, gaming, and hotel/hospitality services.
- CSKT operates Mission Valley Power, a federally-owned electrical utility, serving approximately 22,000 customers, located on the reservation, with annual revenue of approximately $23.8 million.
CSKT
Kerr History

• Applications are filed for licenses to develop five power sites on the Flathead River within the Flathead Reservation.
• The Federal Power Commission issued the first 50-year license to the Rocky Mountain Power Company for the Kerr Dam site.
• Rocky Mountain Power Company transferred its interest in the License to the Montana Power Company (“MPC”). Kerr Dam began producing power.
• CSKT filed a competing application with the Federal Energy Regulatory Commission (“FERC”) for relicensure of Kerr. Kerr Dam began producing power.
• The first license expired and FERC issued a series of one-year licenses to MPC.
• the Tribes successfully negotiate co-licensee status with the MPC and the option to acquire Kerr as the sole owner in 2015. New License issued to MPC and CSKT for a 50-year term through 2035.
• PPL Montana (PPLM”) acquires Kerr from MPC and FERC transfers MPC’s License interest to PPLM.
• CSKT prepares to exercise its exclusive and unilateral right to acquire Kerr through Energy Keepers Inc.

The Kerr Project was developed as result federal assimilation polices implemented on the Flathead Indian Reservation from 1908-1934
• Allotting of the land
• Creation of the Flathead Indian Irrigation Project (irrigation and power)
• Development of power sites by non-Indian business entities
Kerr Today

- A 200 foot high, 381 foot long concrete arch dam
- 194 MW facility producing 1.1M mwh/yr
- Kerr’s reservoir is the top ten feet of Flathead Lake with 1.2 MAF

- Kerr is part of the Columbia River basin flood control system coordinated through the Pacific Northwest Coordination Agreement.
- Recent engineering and safety studies indicate the facility is in good operating order and has an expected useful life that exceeds the balance of the FERC license term (i.e. 2035)
Kerr is a part of the Columbia Hydroelectric Resource Base
EKI Strategy
Wholesale Power Generation

- The Estimated Conveyance Price has been set at $18.3M
- CSKT has filed its notice of intent to acquire the Kerr Project on September 5, 2015 consistent with the terms of the FERC license.
- CSKT, as a government, will assume licensee status before the FERC and retain ownership of the Kerr Project.
- To facilitate the relationship between CSKT and EKI before the FERC, it is planned that EKI will be co-licensee.
- EKI, will assume possession and operation of Kerr and will sell the electrical output as a wholesale power generator to provide a long term stream of income to CSKT as the sole shareholder.
Energy Keepers Inc. Governance

- CSKT Tribal Council (Shareholder)
- EKI/Board of Directors
- EKI Corporation
Energy Keepers Inc.

21 Positions
16 Filled Today
10 Tribal Members
Flathead Indian Reservation

Energy Generation Resources

• Small Hydro
• Other Large Hydro
• Solar
• Wind
• Geothermal
• Biomass
Initial CSKT Work on Biomass

- 2000 Forest Management Plan
- 18.1 MMBF Annual Allowable Harvest
- Currently at about half of this
- 17,000 BDT Accessible Woody Biomass Production
- 2010 – CSKT UW Study Summarized 5 Biomass Fuel Supply Reports
- 2010 – CSKT RW Beck Preliminary Look at Combined Heat and Power Plant
- 2010 Two Additional Studies
CSKT Determines a Deeper Look is Warranted

- Studies focus on fuel supply at the source
- Based on Preliminary High Level Estimates for combined heat and power appear feasible
- 2011 CSKT applies to US DOE for $850K grant
  - 3.5 MW Facility Located in Pablo
  - 20 MW Facility Located in Pablo
  - Acquire Thompson Falls Facility
- 2012 CSKT is awarded grant
  - 3.5 MW Facility
  - 20 MW Facility
- 2013 Initiate Study
  - Harris Group
  - The Beck Group
Elements of Study

- Fuel Supply
  - Sources and Values
- Detailed Engineering Plans
  - Power Generation Facility
  - Heat Delivery System
- Power Market
  - Renewable Energy Credits
  - Tax Incentives