



THE HYDRO COMPANY, INC.

DBA THE NEVADA HYDRO COMPANY, INC.

April 22, 2014

«AddressBlock»

RE: Lake Elsinore Advanced Pumped Storage Project
FERC Project Number P-14227

Dear Sir or Madam:

The Lake Elsinore Advanced Pumped Storage (LEAPS) project is a 500 MW generation/600 MW load advanced pumped storage facility proposed to be located adjacent to Lake Elsinore in Southern California. The LEAPS project was being licensed by Federal Energy Regulatory Commission (FERC) in Docket P-11858, and is now under limited additional review in FERC Docket P-14227.

In its review of the project in the former docket, FERC published a Final Environmental Impact Statement (FEIS) in 2007. The Nevada Hydro Company (Nevada Hydro) has reapplied to FERC for the identical project and FERC issued its preliminary permit in the new docket in late 2012.

FERC has requested that we, as the project's sponsor, contact resource agencies and inquire what if anything in the 2007 FEIS the agency believes may need to be updated in order for FERC to issue a license for the facility.

The FERC FEIS is available for review at the following web address:

<https://www.dropbox.com/sh/h8esqz0uj483ar8/9szk3x4IDt>

Additional information about it and its sister high voltage connection, known as the Talega-Escondido/Valley-Serrano 500 kV Interconnect, may be found on the website of the California Public utilities Commission at:

http://www.cpuc.ca.gov/Environment/info/aspen/nevadahydro/talega_escondido_valley_serrano.htm

Given the State's exacting clean energy policies, there is an unquestionable need for the electric power system in California to move toward an environmentally sustainable future, while still maintaining highly reliable and efficient service at the least possible cost. Given this policy imperative, there can be no doubt that LEAPS is the very best facility that could be developed in the region in order to meet the challenges of:

- The ever-increasing need for highly flexible resources;
- The ever-expanding reliance in the region on variable renewable resources;
- The evident and hidden limitations on power flows into the region;

- The long-term imperative for California to move away from carbon-based energy resources; and,
- The permanent shutdown of SONGS nuclear powerplant.

I would be please to meet personally to discuss the project with you. FERC requests that any comments you may have be submitted to them by July 1, 2014.

Thank you very much.

Sincerely,

David Kates
Project Manager

| Name | Company1 | company2 | street | city |
|---------------------------------|--|--|-----------------------------------|-------------------------------|
| Chief | Army Corps of Engineers | San Francisco District Office | 333 Market Street, Floor 8 | San Francisco, CA 94105-2102 |
| Mark Durham, Chief | Army Corps of Engineers | South Coast Section, Regulatory Branch | P.O. Box 532711 | Los Angeles, CA 90053-2325 |
| Area Director | Bureau of Indian Affairs | | 2800 Cottage Way | Sacramento, CA 95825-1846 |
| Fred Allgaier | Bureau of Indian Affairs | | 3000 Youngfield Street. Suite 230 | Lakewood, CO 80215-6551 |
| Director | Bureau of Land Management | California State Office | 2800 Cottage Way, Suite W1834 | Sacramento, CA 95825-1886 |
| Regional Director | Bureau of Reclamation | Attn: LC 705 | P.O. Box 61470 | Boulder City, NV 89006-1470 |
| | California Air Resources Board | | P.O. Box 2815 | Sacramento, CA 95812-2815 |
| Director | California Department of Water Resources | | P.O. Box 942836 | Sacramento, CA 94236-0001 |
| Environmental Analyst | California Department of Conservation | MS 24-01 | 801 K Street | Sacramento, CA 95814-3500 |
| | California Dept. of Fish and Game | Water Rights & FERC Coordinator | P.O. Box 944209 | Sacramento, CA 94244-2090 |
| Curt Taucher | California Dept. of Fish and Game | Regional Manager, Region 6 | 4949 Viewridge Ave | San Diego, CA 92123 |
| Larry L. Eng, Ph.D. | California Dept. of Fish and Game | Regional Manager, Region 5 | 4949 Viewridge Ave | San Diego, CA 92123 |
| Mike Meinz | California Dept. of Fish and Game | FERC Relicensing Coordinator | 1701 Nimbus Road, Suite A | Rancho Cordova, CA 95670-4503 |
| Regional Manager | California Dept. of Fish and Game | | 1234 E. Shaw Ave. | Fresno, CA 93710-7802 |
| Resource Mgmt. Division, Chief | California Dept. of Parks & Recreation | | P.O. Box 942896 | Sacramento, CA 94296-0001 |
| Environmental Services Division | California Fish & Game Commission | | 1416 9th Street | Sacramento, CA 95814-5511 |
| Cherilyn E. Widell, Director | California Office of Historic Preser. | | P.O. Box 942896 | Sacramento, CA 94296-0001 |
| Dave Woelfel | California Regional Water | | 42347 Dusty Trail | Murrieta, CA 92562- |

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|----------------------------------|---|--------------------------------------|--|------------------------------|
| | Quality Control Board | | | 5213 |
| Mark G. Adelson, Chief | California Regional Water Quality Control Board | Regional Planning Programs Section | 3737 Main Street, Suite 500 | Riverside, CA 92501-3348 |
| Director | California State Lands Commission | Suite 100-South | 100 Howe Ave. | Sacramento, CA 95825-8202 |
| Supervisor, FERC Coordination | California Water Resources Control Board | | P.O. Box 2000 | Sacramento, CA 95812-2000 |
| Samantha K. Olson, Staff Counsel | California Water Resources Control Board | | P.O. Box 100 | Sacramento, CA 95812-0100 |
| Darrell Vance, District Ranger | Cleveland National Forest | | 1147 E. 6th Street | Corona, CA 92879-1616 |
| William Metz, Forest Supervisor | Cleveland National Forest | | 10845 Rancho Bernardo Road, Suite 2000 | San Diego, CA 92127-2107 |
| Ronald L. Tippetts, Chief | County of Orange | Environmental Planning Division | P.O. Box 4048, 300 N. Flower Street | Santa Ana, CA 92702-4048 |
| Jack Gipsman, Attorney | Department of Agriculture | Office of General Counsel | 33 New Montgomery Street, Floor 17 | San Francisco, CA 94105-4506 |
| Jennifer L. Frozena | Department of the Interior | | 1849 C Street NW, Mailstop 6557 | Washington, DC 20240-0001 |
| Willie R. Taylor, Director | Department of the Interior | Office of Env. Policy & Compliance | 1849 C Street, NW, MS 2342 – MIB | Washington, DC 20240 |
| | Department of Transportation | State of California | 464 W. Fourth St., 6th Floor | San Bernardino, CA 92401 |
| | Department of Transportation | State of California | P.O. Box 231 | San Bernardino, CA 92403 |
| David P. Schmidt, CMD-2 | Environmental Protection Agency | Region 9 - Federal Activities Office | 75 Hawthorne Street | San Francisco, CA 94105-3920 |
| Edward J. Perez | Federal Energy Regulatory Commission | | 101 SW Main Street Suite 905 | Portland, OR 97204-3217 |
| Regional Engineer | Federal Energy Regulatory Commission | Portland Regional Office | 101 S.W. Main Street, Suite 905 | Portland, OR 97204-3217 |
| Field Supervisor | Fish and Wildlife Service | Room W-2605 | 2800 Cottage Way | Sacramento, CA 95825-1846 |
| Regional Director | Fish and Wildlife Service | Attn: FERC Coordinator | 911 NE 11th Ave | Portland, OR 97232-4169 |
| Supervisor | Fish and Wildlife Service | ARCATA FWO | 1655 Heindon Road | Arcata, CA 95521- |

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|---|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|
| | | | | 4573 |
| Supervisor | Fish and Wildlife Service | | 2493 Portola Rd Suite B | Ventura, CA 93003-7726 |
| Larry Rannals | US Marine Corps Camp Pendleton | | Box 555010 | Camp Pendleton, CA 92055 |
| Regional Director | National Marine Fisheries Service | | 501 W Ocean Blvd, Suite 4200 | Long Beach, CA 90802-4221 |
| Brandi L. Bradford, Hydro Program Coordinator | National Park Service | | 1111 Jackson Street, Suite 700 | Oakland, CA 94607-4807 |
| Southern California Hydro Coordinator | National Park Service | | 1111 Jackson Street, Suite 700 | Oakland, CA 94607-4807 |
| Randy Moore, Regional Forester | U.S. Forest Service | Pacific SW Region 5, MRM-Lands Staff | 1323 Club Drive | Vallejo, CA 94592 |
| Gary P. Dubois, Cultural Resources Director | Penchanga Indian Reservation | Pechanga Cultural Resources | Post Office Box 2183 | Temecula, CA 92592 |
| State of California | Resources Agency of California | Room 1311 | 1416 9th Street | Sacramento, CA 95814-5511 |
| FERC Coordinator | U.S. Geological Survey | | Placer Hall—6000 J Street, Suite 2012 | Sacramento, 95819-6129 |



United States Department of the Interior



FISH AND WILDLIFE SERVICE
Ecological Services
Palm Springs Fish and Wildlife Office
777 East Tahquitz Canyon Way, Suite 208
Palm Springs, California 92262

In Reply Refer To:
FWS-WRIV-06B0012-14TA0355

David Kates
Nevada Hydro
2416 Cades Way
Vista, California 92081

JUL - 3 2014

Subject: Request for Comments Regarding the Lake Elsinore Advanced Pumped Storage Project (FERC Project Number P-14227)

Dear Mr. Kates:

This letter responds to your request for comments on the 2007 Final Environmental Impact Statement (2007 FEIS) for the proposed Lake Elsinore Advanced Pumped Storage Project (FERC Project Number P-14227). Specifically, you requested comments on potential environmental conditions that may have changed since issuance of the 2007 FEIS due to your reapplication for a Federal Energy Regulatory Commission (FERC) license in 2012. The reapplication involves the same project as proposed in the 2007 FEIS. The proposed project would consist of: 1) a new upper reservoir (Morrell Canyon) with a 180-foot-high main dam and a gross storage volume of at least 5,500 acre-feet, at a normal reservoir surface elevation of 2,880 feet above mean sea level; 2) a powerhouse with two reversible pump-turbine units with a total installed capacity of 500 megawatts; 3) the existing Lake Elsinore to be used as a lower reservoir; 4) about 30 miles of 500 kilovolt transmission line connecting the project to an existing transmission line owned by Southern California Edison located north of the proposed project and to an existing San Diego Gas and Electric Company transmission line located to the south, including substations and associated appurtenant facilities; and 5) local distribution facilities.

We offer the following comments and recommendations regarding potential changes since the 2007 FEIS based on our knowledge of declining habitat types and species within western Riverside County. We provide these comments in keeping with our agency's mission to work "with others to conserve, protect, and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people." Specifically, we administer the Endangered Species Act of 1973 (Act), as amended (16 U.S.C. 1531 *et seq.*), and provide comments in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401 as amended, 16 U.S.C. 661 *et seq.*). We also provide comments on public notices issued for a Federal permit or license affecting the Nation's waters pursuant to the Clean Water Act.

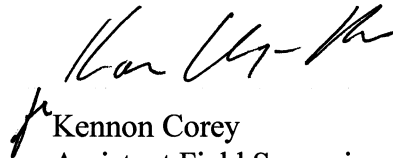
To facilitate evaluation of the proposed project from the standpoint of biological resources, the following updates should occur:

1. There are new designated critical habitats for the federally endangered Munz's onion (*Allium munzii*), Quino checkerspot butterfly (*Euphydryas editha quino*), arroyo toad (*Anaxyrus californicus*), and southwestern willow flycatcher (*Empidonax traillii extimus*) and the federally threatened thread-leaved brodiaea (*Brodiaea filifolia*), California red-legged frog (*Rana draytonii*), and coastal California gnatcatcher (*Polioptila californica californica*) since the 2007 FEIS. The 2007 FEIS document should be updated to reflect the changes in these critical habitats and discuss any potential effects.
2. The 2007 FEIS is based on surveys conducted from 2001-2006. Given the long timeframe since completion of the 2007 FEIS and the potential for changes due to wildfires and other activities, we recommend completing updated surveys and habitat assessments for federally listed species and other biological resources and updating the description of potential impacts to habitats. We especially recommend updated surveys for Quino checkerspot butterfly and for any areas affected by wildfires since 2006 surveys.
3. We were informed after release of the 2007 FEIS by Nevada Hydro that retrofitting of additional powerlines in San Diego County was necessary to make the project feasible. We are not certain of the specific location of these potential activities. The FEIS should be updated to fully describe any interdependent activities that are not included and disclose the following information:
 - Quantitative and qualitative assessments of the biological resources and habitat types that will be impacted by the proposed project and its alternatives. An assessment of direct, indirect, and cumulative project impacts to fish and wildlife associated habitats, including growth-accommodating effects of the project (e.g., increased population, increased development, and increased traffic). All facets of the project (e.g., construction, implementation, operation, and maintenance) should be included in this assessment. Proposed developments in the surrounding area should be addressed in the analysis of cumulative impacts.
 - This assessment should include a list of Federal candidate, proposed, and listed species; State-listed species; and locally sensitive species that are on or near the project site, including a detailed discussion of these species and information pertaining to their local status and distribution. We are particularly interested in any and all information and data pertaining to potential impacts to populations of federally listed species. The analysis of impacts to biological resources and habitat types should include detailed maps and tables summarizing specific acreages and locations of all habitat types, as well as the number and distribution of all Federal candidate, proposed, and listed species; State-listed species; and locally sensitive species, on or near the project site that may be affected by the proposed project or project alternatives.

- A detailed analysis of impacts of the proposed project on movement of wildlife, and proposed measures to avoid and minimize impacts, and mitigate unavoidable impacts to wildlife movement.
- An assessment of potential impacts to wetlands and jurisdictional waters of the United States. Section 404 of the Clean Water Act prohibits the unauthorized discharge of dredged or fill material into such waters, including wetlands. This section also provides that the U.S. Army Corps of Engineers (Corps) may issue permits for discharges of dredged or fill material into jurisdictional waters and wetlands. Potential areas of Corps jurisdiction should be evaluated and wetlands should be delineated using the methodology set forth in the Corps' Wetland Delineation Manual (Environmental Laboratory 1987). The updated FEIS should disclose all impacts to jurisdictional waters and wetlands, and proposed measures to be taken to avoid and minimize impacts, and mitigate unavoidable impacts.
- A detailed discussion of the consistency of proposed biological resource impacts with the provisions of any existing habitat conservation planning efforts.

We appreciate the opportunity to comment on the referenced 2007 FEIS. If you have any questions regarding these comments, please contact Jesse Bennett of my staff at (760) 431-9440 extension 305.

Sincerely,


Kennon Corey
Assistant Field Supervisor

cc: Cleveland National Forest (Attn: Kirsten Winter)
Federal Energy Regulatory Commission (Attn: Kimberly D. Bose)