

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426
January 22, 2019

OFFICE OF ENERGY PROJECTS

Project No. 14227– 003– California
Lake Elsinore Advance Pumped Storage
Project
The Nevada Hydro Company, Inc.

Rexford Wait
The Nevada Hydro Company, Inc.
2416 Cades Way
Vista, CA 92083

Reference: Request for Additional Information and Comments on Study Plans

Dear Mr. Wait:

On January 3, 2018, Commission staff issued a letter to Nevada Hydro Company, Inc. (Nevada Hydro) requesting additional information regarding the license application for the Lake Elsinore Advanced Pumped Storage (LEAPS) Project, which you provided responses to on April 3, 2018. Upon review of your responses, Commission staff has identified additional information needed to make an informed decision on your application. Please provide the information requested in Schedule A within 90 days from the date of this letter, pursuant to section 4.32(g) of the Commission's regulations.

On June 15, 2018, Commission staff issued a letter detailing its findings on the need for Nevada Hydro to conduct additional studies, which you responded to on September 11, 2018. Upon review of your response, the draft study plans for study requests 4, 7, 8, 30 and 31 are approved. Please complete and file the study reports for these studies by June 30, 2019.

The study plans and related information you provided in response to study requests 9, 18, 28, 33 and 34 need to be revised as shown in the attached Schedule B. Please make your revisions and refile for approval by the dates shown in the schedule.

The Seismic Hazard study (study 2) and the Geotechnical study (study 3) do not need to be approved at this time. If the Commission issues a license for the project, the study plans, as revised by staff, will be reviewed and approved by the project's Board of Consultants before the studies are completed.

The Commission strongly encourages electronic filing. Please file the requested information using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, please send a paper copy to: Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, D.C. 20426. The first page of any filing should include docket number 14227-003.

If you have any questions or comments you may have concerning this request, please contact Jim Fargo at 202-502-6095 or via email: james.fargo@ferc.gov.

Sincerely,

Timothy Konnert, Chief
West Branch
Division of Hydropower Licensing

Enclosures: Schedule A – Additional Information Requests
Schedule B – Study Plan Comments

SCHEDULE A

Additional Information Requests

The following is a list of additional information needs that we have identified after reviewing Nevada Hydro's April 3, 2018 responses to Commission staff's January 3, 2018 letter requesting additional information.

Revised Exhibits

1. In response to item 6, you state that the proposed LEAPS Project would be capable of operating when extended drought conditions result in water levels in Lake Elsinore to fall below 1,240 feet mean sea level (msl), because the project's intake/outlet facilities would be able to intake and discharge water at a range of water levels, including levels below 1,235 feet msl. This response appears to change the proposed project operation specified in your final license application (FLA), that the project would only operate when water levels in Lake Elsinore are at or above 1,240 feet msl. Therefore, please amend your FLA by filing a revised Exhibit A that reflects your new minimum operating level and a revised Exhibit B that states in detail your new proposal to operate the project during both normal and drought conditions. The revised exhibits must include the lowest Lake Elsinore elevation that the project would be capable of operating at based on the proposed generating units and intake design.

Recreation Use Study

2. In response to item 22, you state that the information on recreation use at the proposed upper reservoir site is not readily available, and include a brief description of a recreation use study that you propose to conduct to obtain it. After reviewing your proposal, we find that it lacks key details needed to ensure that the data collected is sufficient for our analyses, such as an observation sampling schedule and the specific methods data collectors will employ in the field. Additionally, based on your statement that recreation use data at the site is not readily available, it is not clear why the data collection in your proposal would only occur from March through August, rather than year round.

In order to ensure that the data collected from the recreation use study is sufficient for us to use in our analyses of potential project effects, please submit a detailed study plan for our approval that includes, at a minimum, the following elements: (1) a sampling schedule for the recreation use observations; (2) proposed methods to estimate recreation use in the area based on the observation data you will obtain; (3) a sample data collection sheet for the recreation use observations that allows you to record information on recreation activity type, group size, and observed length of stay; (4) proposed methods to survey the area for the presence of recreation sites, including roads, trails, campsites,

day use areas, and any other location where recreation use occurs (either formally or informally); and, (5) a sample data collection sheet for recording the characteristics of the recreation sites that includes site type, length of trail or road segment(s), size, and a condition class evaluation.

Since this area is managed by the U.S. Forest Service, Cleveland National Forest (Forest Service), the Forest Service could provide important information to assist in developing the study plan. Therefore, please consult with the Forest Service in the development of this plan and provide documentation of the consultation, including copies of any comments and recommendations, and a description of how the Forest Service's comments are accommodated by the plan. Please allow the Forest Service at least 30 days to comment and provide recommendations on the plan. If you and the Forest Service disagree on elements of the study plan, then you should justify your position using specific, detailed information. Commission staff will resolve any disagreements in the study plan approval.

Project Construction in Roadless Area

3. In item 23, we requested that, due to the proposed location of the Decker Canyon upper reservoir being within an Inventoried Roadless Area, you consult with the Forest Service to develop an alternative to your project proposal that would be consistent with the Roadless Area Conservation Rule (RACR) and would allow the Forest Service to accept your special use permit application. In your response, you state that, based on your discussions with the Forest Service, there is no need to develop an alternative to your project proposal in order to be consistent with the RACR because personnel and material involved in the building the upper reservoir would be able to access the site from existing roads.

In a June 29, 2018 letter to Nevada Hydro, which was filed with the Commission on July 2, 2018, the Forest Service requests that Nevada hydro update the FLA to include a description of how they would construct the upper reservoir using only existing roads. Specifically, how the equipment necessary to excavate, construct, and access this feature (dam, reservoir, and spillway) would function without road construction and use. Please file this information with the Commission and, if the information has already been provided directly to the Forest Service, please also include any comments that the Forest Service may have had and subsequent responses from you.

SCHEDULE B
Study Plan Comments

Study 9--Updated Surveys for Federally Threatened and Endangered Species

(1) Revised Habitat Assessments

Our June 15, 2018, letter required Nevada Hydro to conduct updated habitat assessments for federally listed species and the California spotted owl, a state listed species, after consultation with appropriate agencies.

Your September 13, 2018 filing indicates that based on revised habitat mapping, you believe that suitable habitat for federally listed species and the California spotted owl has not changed. The filing, however, does not include any indication that the required agency consultation has taken place. Please provide documentation of agency consultation on the need for revised habitat assessments by June 30, 2019.

(2) Surveys for Quino Checkerspot Butterfly

Our June 15, 2018 letter required Nevada Hydro to conduct surveys for *Plantago erecta* and use by the Quino checkerspot butterfly within the proposed project area that was affected by recent fires.

Your September 13, 2018 filing does not include a schedule for completing the butterfly surveys. Please provide the results of the surveys by June 30, 2019.

Study 18--Vegetation Mapping Study Plan

The revised vegetation maps filed on September 13, 2018 are of limited value because they do not show the geographic location of the individual maps or outline the location of proposed project features (tower locations, access roads, etc.). Please provide an index map showing the location of the 87 individual maps in relation to the project layout and also show the location of proposed project features on the maps within 90 days from the date of this letter.

Study 28--Fire Study Plan

The proposed project would be located in an area that has historically been impacted by wildfires, where wind patterns potentially exacerbate wildfires that do occur, and where residential development has occurred along the border of the Cleveland National Forest. Our June 15, 2018 letter required Nevada Hydro to develop a fire study plan in consultation with the U.S. Forest Service, Cleveland National Forest (Forest Service); however, the study plan provided in your September 13, 2018 filing does not appear to have been developed in consultation with the Forest Service. Since this area is managed by the Forest Service, the Forest Service could provide important information to assist in developing the study plan. Please consult with the Forest Service in the development of the fire plan and file the plan by June 30, 2019. In your filing, provide documentation of the Forest Service consultation, including copies of any comments and recommendations, and a description of how the Forest Service's comments are accommodated by the plan. If you and the Forest Service disagree on elements of the study plan, then you should justify your position using specific, detailed information. Commission staff will resolve any disagreements in the study plan approval.

Study 33-- Historic Properties Management Plan

General Comments

In our June 15, 2018 letter, we asked you to provide a revised Historic Properties Management Plan (HPMP) based on all non-field work. Section 4.1.1 of the revised HPMP that you provided describes both additional pre-field research to be done, along with the surveys you plan to do. The pre-field research described should be done now so that the HPMP can better describe all areas of field work that will need to be completed.

Once all non-field work is completed, you need to add a new section between sections 3 (Research Design) and 4 (Methods) detailing the previous inventory work you completed for Project No. 11858 and identify what cultural resources were located (including their National Register eligibility status) within the proposed project's area of potential effects (APE) as a result of this field work. This new section would then provide the detail on all remaining field work that would need to be done if a license is issued for the project. For example, the section should discuss whether new systematic surveys are needed in specific areas within the APE, and/or whether any existing sites need to be revisited.

In section 5 of the HPMP, management recommendations, you would then detail what site-specific measures you plan to take during the field studies to identify existing National Register-eligible cultural resources that would be potentially adversely affected by the project. In addition, this section should describe the site-specific procedures and protocols you will use to assess National Register eligibilities on the existing unevaluated

cultural resources as well as with newly inventoried cultural resources, depending upon on their characteristics (i.e., prehistoric, historic, architectural features, artifact scatters, bedrock millings stations, village sites, etc.) as a result of the post-licensing field work.

For all the National Register-eligible cultural resources you identify, this section would also describe the site-specific management measures (depending upon their characteristics) you would take to resolve potential project-related adverse effects.

The HPMP should also be revised to address the all comments made by the Pechanga and the Soboba Band that you agreed to adopt. Also, as you acknowledge, you may also need to modify the APE based on further discussions with the Pechanga.

After revising the HPMP based on our comments, and those made by the Pechanga, Soboba, and California SHPO, send the revised HPMP out for another round of comments involving the participating consulting parties before filing it with the Commission by June 30, 2019. Attach an appendix to the revised HPMP showing the specific comments made on the document from each of the consulting parties and how Nevada Hydro either adopted them or give reasons why it did not.

Specific Comments

On pages 1-9 in the introductory letter before the draft HPMP document, the text reflects written notes, and lacks adequate editing to make the narrative more grammatically correct. Please revise, accordingly.

Please revise the second paragraph on page 2 to state that you received concurrence from the California SHPO on the APE, not the draft HPMP, and clarify whether the California SHPO reviewed the draft HPMP and made any comments on it.

On page 3 of the draft HPMP, please revise to say that FERC would execute a PA before license issuance, and if a license is issued, the executed PA would either implement a final HPMP, or have the licensee file for Commission approval a final HPMP after license issuance.

Section 2, Table 1, should be revised to only identify cultural resources within the proposed project's APE. The section should also summarize all of the cultural resources previously identified within the APE, including what features and components they contain, where and when they were located and how they were determined eligible, potentially eligible, ineligible, unevaluated, or recognized as historically significant. The summary should reflect the sequence of surveys done over the years.

On page 101, under section 4, you provide general inventory methods, but there are no specifics about the various methods that would be applied to the remaining

inventory field work that needs to be done. Please provide this information.

On page 105, please remove the paragraph under “Programmatic Agreement,” as there is no need to talk more about the PA in the HPMP.

In the first set of Appendix B APE maps, you provide locations of cultural resources within APE and One-Mile Record Search Buffer, but you do not indicate which cultural resources are Euro-American or Native America, and what their National Register eligibility status is. For example, you could use a letter (P for prehistoric, H for historic) after each of the site numbers, as well as a letter indicating eligibility: eligible (e), ineligible (i), or undetermined (u).

In the second set of APE maps, you provide areas that were previously surveyed for cultural resources, but it is unclear when this inventory work was done. Please insert the year within the areas when the survey was done or color code different portions of the previously surveyed areas by date.

Study 34—Proposed Transformer Operation

To limit non-project power through the LEAPS transmission lines, Nevada Hydro proposes to install phase shifting transformers. To accomplish this operation, Nevada Hydro will need to develop operating procedures between Nevada Hydro and the other transmission operators (Southern California Edison, San Diego Gas & Electric, and the California ISO) so that the proposed equipment is operated in a manner to accomplish the above stated objectives.

Based on comments made by Southern California Edison and San Diego Gas & Electric on your study plan filed on September 13, 2018, you state that you plan to meet with the transmission operators to better define the cases and contingencies to be studied and redraft the study plan.

Within 90 days from the date of this letter, Nevada Hydro should meet with Southern California Edison, San Diego Gas & Electric, and the California ISO to develop a revised study plan, and file it for Commission staff approval. If Nevada Hydro does not adopt any of the transmission operators’ recommendations, then it should provide its reasons for doing so using specific, detailed information.