



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