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COMMISSION

State Water Resources Control Board

JUN 30 2014

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FEDERAL ENERGY
REGULATORY COMMISSION

Honorable Kimberly D. Bose
Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Dear Secretary Bose:

REQUEST FOR COMMENTS ON THE 2007 FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE LAKE ELSINORE ADVANCED PUMPED STORAGE PROJECT, LAKE ELSINORE, RIVERSIDE COUNTY

By letter dated April 22, 2014, The Nevada Hydro Company, Inc. (Nevada Hydro or Applicant) requested comments on the existing 2007 Final Environmental Impact Statement (FEIS) for the Lake Elsinore Advanced Pumped Storage Project (LEAPS or Project). The Project was undergoing licensing by the Federal Energy Regulatory Commission (FERC) under project number 11858 before the license application was denied by FERC on July 12, 2011. Nevada Hydro has reapplied to license the identical Project under FERC project number 14227. The 2007 FEIS was developed for the Project under FERC project number 11858 and FERC intends to update the 2007 FEIS to consider issuing a license for the Project under project number 14227. Comments on the adequacy of the 2007 FEIS were requested to be submitted to FERC by July 1, 2014.

On November 19, 2013, the State Water Resources Control Board (State Water Board) and FERC approved a Memorandum of Understanding (MOU) to coordinate pre-application activities for project licensing. The goal of the MOU is to coordinate pre-application activities leading to issuance of environmental documents that satisfy the legal requirements of the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) and otherwise meet FERC's and the State Water Board's needs.

State Water Board staff have reviewed the 2007 FEIS and are providing the following comments:

1. Sections 2.3.1 and 2.4.3.1, describe a concrete-lined emergency spillway and a low-level outlet at the upper reservoir. FERC recognizes in Section 3.3.2.2, Effects of Operation on Surface Water, that the information provided by the Applicant is conceptual and more information remains to be submitted. The FEIS should include an analysis of the impacts to Decker or Morel canyons watersheds from water discharged through those emergency release features, and include mitigation measures for any resulting impacts including erosion.

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

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2. **Daily water-level fluctuation at Lake Elsinore.** The 2007 FEIS states that for Lake Elsinore, typical daily water-level fluctuation would be one foot, with lake levels fluctuating about 1.7 feet during the course of a full week cycle. While the vertical cycle may only be 1.0-1.7 feet per day, the 2007 FEIS does not describe the area of relicted lakebed that would result from such a drop. Given the shallow and sloping nature of the lakebed, the FEIS should include an assessment based on bathymetry data that discloses the extent of the expanding shoreline due to project operations at various foreseeable lake levels including a series of drought years. This analysis should identify any potential impacts of project operations on shoreline recreation, increased evaporation rates in the area of relicted lakebed, and water temperature.
3. **Proposed Environmental Measures.** Section 2.3.6 of the 2007 FEIS includes "protection, mitigation, and enhancement measures" proposed by the Applicant. These proposals are very broad and non-specific (e.g., conduct additional geotechnical studies). State Water Board staff recommends the Applicant should conduct more project specific assessments and pursue appropriate mitigation development that can be included in the FEIS.
4. **Groundwater and spring systems.** Morrell Canyon groundwater and spring system would be impacted by the depth of excavation of the proposed upper reservoir, penstock and tunnel system. Developing a subsurface reservoir seepage collection system that can return the full seepage volume before reaching groundwater has not been demonstrated to be feasible. Additional groundwater studies need to be done for the Decker Canyon site (Staff Alternative/Preferred Alternative) due to the fact that only geologic reconnaissance assessments for groundwater were completed for this site. The FEIS should require the groundwater management plan to be approved by federal and state agencies before the Applicant can start construction.
5. **Spoil storage and disposal.** Storm water runoff management and spoil stabilization measures should be described in the FEIS. The FEIS should also describe how the construction spoil material will be disposed of if found unsuitable for use as the reservoir's perimeter dike.
6. **Soil toxicity assessment.** The FEIS should include soil toxicity assessments to determine the effects of construction of the intake structure on water quality and the potential need to transport and dispose of 200,000 cubic yards of spoils at an approved disposal facility.
7. **Cofferdam type and materials.** The FEIS should disclose the type and materials to be used in the proposed cofferdam used in the construction of the tailrace/intake structure and analyze its impacts to water quality and beneficial uses, including recreation and fisheries.
8. **Dam breach and dike failure.** The 2007 FEIS proposes to provide an incremental hazard evaluation in a later Emergency Action Plan. A report on dam break analysis in the license application notes that a dam breach at the Morrell Canyon upper reservoir would generate a flood wave that would cause overbank flow along San Juan Creek for about 15 miles. The flood area would include campgrounds and residential commercial buildings. State Water Board staff recommends the Applicant should further develop the Emergency Action Plan identifying appropriate mitigation that can be included in the FEIS.

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9. Water quality in Lake Elsinore. Cycling of water through the tailrace and intake structures could potentially stir up lake bed sediment if the volume and/or direction of water discharged to the lower reservoir creates sufficient turbulence to reanimate sediments, nutrients, and particulates. Increasing turbidity and/or nutrient concentrations in the water column, particularly any phosphorus that is bound to the sediments, would negatively affect the water quality and could cause increased algae blooms and decreased dissolved oxygen, resulting in negative effects on the fish population, including fish kills. Whether the operation of the Project will improve water quality of Lake Elsinore is unknown. The FEIS should support any conclusion with factual information.

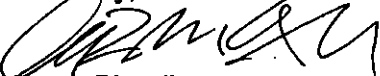
The FEIS should also require the evaluation of potential water quality impacts in the upper reservoir and groundwater due to contact with construction spoils above the liner. An upper reservoir water quality management plan needs to be developed to ensure discharges to Lake Elsinore do not negatively affect water quality or beneficial uses.

10. Aquatic resources. The FEIS should address the consequence of lake fluctuation and the exposure of near shore littoral habitats in order to support the Lake Elsinore Fishery Management Plan is a self-sustaining fishery. Many of the game fish such as bass and sunfish (Centrarchids) would be spawning in the littoral habitat. The rise and fall of the lake may expose these near shore spawning habitats and could impact the ability of these species to provide self-sustaining sport-harvest populations.

We respectfully submit the comments above for the 2007 FEIS and look forward to working with FERC staff to improve the information available to the agencies and the public. If you have any questions regarding this comment letter, please contact me at (916) 323-9397 or by email at Oscar.Biondi@waterboards.ca.gov. Written correspondence or inquiries should be addressed as follows:

State Water Resources Control Board
 Division of Water Rights
 Attn: Oscar Biondi
 P.O. Box 2000
 Sacramento, CA 95812-2000

Sincerely,



Oscar Biondi
 Water Resource Control Engineer
 Water Quality Certification Program
 Division of Water Rights

cc: David Kates
 The Nevada Hydro Company, Inc.
 2416 Cades Way
 Vista, CA 92081

Timothy J. Welch
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