# FINAL APPLICATION FOR LICENSE
# OF MAJOR UNCONSTRUCTED PROJECT

# APPLICANT PREPARED
# ENVIRONMENTAL IMPACT REPORT

# CHAPTER 1
# Executive Summary

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# LAKE ELSINORE
# ADVANCED PUMPED STORAGE PROJECT
# FEDERAL ENERGY REGULATORY COMMISSION
# PROJECT NUMBER 14227

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Applicant:

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# Executive Summary

## 1.1 Introduction to the EIR

The Nevada Hydro Company's ("Applicant") proposed project ("Project"), as now before the Federal Energy Regulatory Commission ("FERC" or "Commission"), is made up of two primary components: a pumped storage facility and wires to connect it to the grid. The Applicant has submitted to the FERC under the Federal Power Act of 1920 ("FPA") (FERC Project No. 14227) for a license to construct and operate the pumped storage facility and its "primary connection to the grid" (to use FERC terminology). With regard to the wires portion of the Project, the Applicant previously submitted an application to the California Public Utilities Commission ("CPUC") for a Certificate of Public Convenience and Necessity ("CPCN") for just the wires portion of the Project, to be operated as a high voltage transmission project within the California high voltage grid.

The Applicant is well aware that it cannot connect the facility to the grid other than in conformity with the hydroelectric licensing requirements of Subchapter I of the Federal Power Act, 16 U.S.C. §§ 791–823d ("FPA"), and has engineered the project accordingly. The proposed Project is a major hydro-electric project within the meaning of the Federal Power Act. As such, it cannot be constructed and operated except under such license issued by the FERC. See 16 U.S.C. § 799. Therefore, the LEAPS facility's connection(s) to the grid must be over primary lines as required under the Federal Power Act. In its application to the FERC, Nevada Hydro is not proposing to construct the wires portion of the project to function as a major link of a transmission or distribution, but is proposing to construct the wires to connect the powerhouse to the grid. Thus, the Project is not contemplating combining the transmission lines to carry system load in excess of the power generated by the LEAPS Project.

With regard to the Project's primary connection described in this EIR, under the test described in PG&E, 85 FERC ¶ 61,411 (1998), "the line leading from the project ceases to be a primary line at the point it is no longer used solely to transmit power from the project to the interconnected grid." NYPA, 98 FERC ¶ 61,033 at 61,095 (2002) ) (P-2216). Nevada Hydro Notes that, Montana Power Co. v. FPC, 112 F.2d 371 (9th Cir. 1980) refined this test saying that the line transmitting energy from a project's plant to points of junction with the distribution system may be a primary transmission line, even if it also serves other connections, so long as it cannot carry any substantial power from other sources.

The transmission component, can be referred to as the Talega-Escondido/Valley-Serrano 500 kV Interconnect ("TE/VS Interconnect"). The TE/VS Interconnect could be a new approximately 32 mile long, high-voltage TL, inclusive of all appurtenant facilities and system upgrades associated therewith, linking Southern California Edison Company's (SCE) existing 500 kV Valley-Serrano transmission system in western Riverside County and San Diego Gas & Electric Company's (SDG&E) existing 230 kV Talega-Escondido transmission system in northern San Diego County.

The pumped storage component, identified as the Lake Elsinore Advanced Pumped Storage ("LEAPS") Project, will be an advanced pumped storage hydropower facility located in western

Riverside County and northern San Diego County. The FERC–licensed Project, consists of both components; however, the wires portion is designed to prevent system flow from occurring across the primary connection. Essentially, the difference between the CPUC–permittable high voltage line and the FERC–licensable primary connection from LEAPS to the grid, is essentially the position of a switch between the two primary connections.

While the transmission and pumped storage components could constitute disparate and separate State and federal regulatory processes, in order to ensure compliance with the provisions of the California Environmental Quality Act (CEQA), both components need to be consolidated under the broad umbrella of a single environmental compliance review. In order to ensure that environmental considerations are not piecemealed, CEQA stipulates that the lead agency consider the "whole of the action, not simply its constituent parts." Within the meaning of CEQA, the transmission and pumped storage components of the Project constitute the "whole of the action" (14 CCR 15003[h] and 15379[a]).

LEAPS will pump water from Lake Elsinore into a new impoundment to be constructed within the Decker Canyon area of the United States Forest Services' (USFS or Forest Service) Cleveland National Forest – Trabuco Ranger District (TRD or National Forest), at an elevation approximately 1,500 feet higher than Lake Elsinore. Operating at a cycle efficiency of about 83.3 percent, LEAPS would create a kinetic energy reserve allowing stored off-peak power, including wind from the Tehachapi area and geothermal from the Imperial Valley, to be available during peak-hour periods. LEAPS would be capable of nominally providing 500 megawatts (MW) of electricity for up to twelve hours, and have a storage capacity of 6,000 megawatt hours (MWh).

Isolating circuit breakers, as well as the proposed use of phase shifting transformers at the Case Springs Substation, will prevent system power flow between the Lake and Case Springs Substations. Isolating circuit breakers will be installed so that the Project can only utilize either the north or south 500 kV line at a time. The circuit breakers and/or phase shifting transformers will allow the proposed Project to obtain pumping power from either SCE or SDG&E and will restrict the flow of that pumping power to the Santa Rosa Substation only. For example, no power from the Lake Substation used for pumping will be delivered to the Case Springs Substation. The circuit breakers and phase shifting transformers will also allow the Applicant to deliver project power to either the Lake or the Case Springs Substation. When flow is from the proposed Project to these substations, only project power or station power will be transmitted on the 500 kV LEAPS generator tie lines.

## 1.2 Project CEQA Environmental Review

This section addresses the Project's derivation, the requirements of CEQA, and how those factors dictate the subject of this filing.

Under Section 797(e) of the FPA, FERC is authorized "[t]o issue licenses to citizens of the United States, or to any association of such citizens, or to any corporation organized under the laws of the United States or any State thereof, or to any State or municipality for the purpose of constructing, operating, and maintaining dams, water conduits, reservoirs, power houses,

transmission lines, or other project works necessary or convenient for the development and improvement of navigation and for the development, transmission, and utilization of power across, along, from, or in any of the streams or other bodies of water over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States, or upon any part of the public lands and reservations of the United States (including the Territories), or for the purpose of utilizing the surplus water or water power from any government dam, except as herein provided: provided, that licenses shall be issued within any reservation only after a finding by the FERC that the license will not interfere or be inconsistent with the purpose for which such reservation was created or acquired, and shall be subject to and contain such conditions as the Secretary of the department under whose supervision such reservation falls shall deem necessary for the adequate protection and utilization of such reservations."

In January 2007, acting in compliance with the National Environmental Policy Act (NEPA), FERC and the Forest Service released a "Final Environmental Impact Statement – Lake Elsinore Advanced Pumped Storage Project, FERC Project No. 11858, FERC/FEIS-0191F"[1] (FEIS) addressing both LEAPS and a "transmission line only project."[2] With regards to those facilities, the FEIS identified and described a preferred "staff alternative" which specified general facility locations and a 500-foot wide transmission alignment extending between SCE's Valley-Serrano line on the north and SDG&E's Talega-Escondido lines on the south.

Following the commencement of that federal hydropower licensing process, under its earlier Valley-Rainbow proceedings (A.01-03-036) and in response to a separate high-voltage transmission line proposal from SDG&E designed to interconnect SDG&E's Talega-Escondido and SCE's Valley-Serrano lines, the Commission identified the "LEAPS transmission line" as functionally and electrically equivalent to SDG&E's Valley-Rainbow Interconnect project. As a result of the Commission's independent studies, the "LEAPS transmission line" was identified by the FERC as a viable network upgrade and not only to interconnection LEAPS to the grid, as initially proposed by the Applicant as part of its original FERC filing.

Perhaps because of the location of LEAPS, situated between the San Diego and Los Angeles load centers, FERC concluded that the California Independent System Operator (CAISO or California ISO) and SDG&E would derive the "maximum benefit" through the construction of line segments connecting both centers, thereby enhancing reliability, reducing congestion, and improving access. Once so connected, the two transmission line segments functionally take on additional utility and become an interconnection between SDG&E's 230 kV and SCE's 500 kV transmission systems.

Thus the genesis of the original "LEAPS transmission line" (the TE/VS Interconnect), serving as a regional interconnect was the result of (i) the FERC's conclusions, (ii) the Commission's independent analysis of SDG&E's Valley-Rainbow project and (iii) the CAISO's independent

[1]/ Federal Energy Regulatory Commission, Final Environmental Impact Statement for Hydropower License – Lake Elsinore Advanced Pumped Storage Project, FERC Project No. 11858, FERC/EIS-0191F, January 2007.

[2]/ FERC has since dismissed project Number 11858 and the LEAPS project is now being processed under a new docket number, P–14227.

determination that the Applicant's TE/VS Interconnect was functional equivalent to the Valley-Rainbow Interconnection.

TNHC has submitted two separate special-use permit (SUP) applications to the USFS to allow for the approval, construction, operation, and maintenance of both LEAPS and TE/VS Interconnect on National Forest System (NFS) lands. Similarly, because LEAPS and the TE/VS Interconnect extend across the jurisdiction of two regional water quality control boards (Santa Ana and San Diego), separate 401 water quality certifications applications have also been submitted to the State Water Resources Control Board (SWRCB).

Approval of the Forest Services' SUPs, the SWRCB's 401 water quality certifications, and the Commission's CPCN will allow the Applicant to construct such transmission and appurtenant facilities as may be required for the proper approval, construction, operation, and maintenance of the Project as authorized by FERC.

In order to address the "whole of the action", not simply the Project's "constituent parts," under CEQA, the Applicant must describe the entire action in as broad a fashion as may be reasonably possible to ensure that its possible environmental effects are fully considered, analyzed, and appropriately mitigated. Similarly, in the same fashion as FERC and the USFS previously worked cooperatively to prepare a single NEPA document, since the Project's implementation will necessitate discretionary permits and approvals from both the Commission and other State agencies, in order to promote permit streamlining, CEQA encourages the Commission to prepare a single environmental document that can then be used by each of those agencies in fulfillment of their independent CEQA obligations.

## 1.3 Introduction to the Project

LEAPS provides the State with a variety of cost-effective enhancements, including increased reliability and more efficient use of grid resources through the use of a variety of mechanisms. Grid benefits include the full range of ancillary services, shifting on-peak to off-peak hours, and providing 500 MW of generation near the load pocket. The pumped storage component of the Project allows for the storage of energy produced during off-peak hours for use during peak-demand hours. This production can include off-peak power generated by efficient, baseload generation sources, including wind-generation facilities located in the Tehachapi region, solar thermal generation in the Mojave area, geothermal-generation facilities located in the Imperial Valley, and other existing and planned renewable resources located throughout and beyond southern California. In addition, the Project provides 500 MW of regulation and fast responding spin to support grid operations the integration of intermittent renewable resources, and provides highly responsive load following capability. This, combined with the ability to provide voltage support, will help the grid manager operate an increasingly complex grid in the southern California electrical region. The Project will provide at least 1,000 MW of reliable supply to the SDG&E service area under CAISO's N-1/G-1 contingency testing conditions.

The primary connection or gen–tie is primarily located on federal lands within the TRD. The proposed alignment through NFS lands was developed jointly by FERC and the USFS and, to the maximum extent possible, will avoid or minimize impacts to privately-owned property both

within and outside National Forest boundaries. As conditioned, the transmission alignment through the TRD has been accepted by the USFS and constitutes an authorized use of NFS lands.

Because LEAPS can store off-peak power, including wind, solar and geothermal energy, the facility's operation will further the objectives of California's Renewable Portfolio Standards (RPS) and greenhouse gas (GHG) emission-reduction standards. LEAPS can also forestall the need to construct new fossil fuel-burning power plants. The Project's dispatchable pumping load will enable the most efficient plants on the southern California grid to operate more hours each day. The efficient baseload energy stored during non-peak hours can then be used to displace operation during peak periods of those generation plants that are the least efficient and most costly to operate.

Pumped storage facilities, such as LEAPS, are able to respond rapidly to continuously changing conditions and, thereby, assist in maintenance of system-wide reliability. Pumped storage generation provides unique strategic, operational, and economic benefits, resulting in reduced operating risks, increased total efficiency, increased critical system control and reliability, and providing more value to the ratepayers. Pumped storage is widely accepted as a mature technology with proven reliability and effectiveness. It is currently the only proven technology available for storage of large quantities of energy and is the most efficient.

## 1.4 Milestone History of the LEAPS and the TE/VS Interconnect

Although the two projects are closely tied, they have different development and approval paths. This section describes many of the more significant milestones in the history of the projects' advancement.

### 1.4.1 LEAPS Milestone History

- ◊ 1997. Nevada Hydro and the Elsinore Valley Municipal Water District (the District) execute an agreement (the Development Agreement) under which Nevada Hydro is to take responsibility for developing the project, and for funding its development and construction. Upon completion, Nevada Hydro is to own the facility, and the District would be paid for the water required to keep the lower reservoir at the proper elevation for operation.
- ◊ 2002. The Company executes an agreement with Voith Siemens Hydro, Inc. (now Voith Hydro) (Voith) under which Voith provided technical assistance and determined that the nominal capability of the project could be raised from 330 to 500 MW for optimal efficiency.
- ◊ 2004. Nevada Hydro and the District, as co–applicants, file an application for an original license to construct and operate the LEAPS project with the FERC with Project Number 11858. The application was a tremendous undertaking made up of numerous volumes, and weighed in at 40 pounds.

- ◊ 2004. Because a large portion of the project traverses the Cleveland National Forest, FERC and the US Forest Service execute a letter of understand under which they will jointly work to prepare the Environmental Impact Statement ("EIS") as required by National Environmental Policy Act.
- ◊ 2005. Nevada Hydro commences to work with the State Water Resources Control Board (Water Board), as it is responsible for issuing the only state approval required (the FERC license encompasses all other approvals). Nevada Hydro applies to the Water Board for a certification required by section 401 of the Clean Water Act.
- ◊ 2005. Nevada Hydro files an application with the CAISO to interconnect with the grid.
- ◊ 2007. FERC issues Final Environmental Impact Statement, describing the project it would approve and the mitigations it and the Forest Service would impose.
- ◊ 2007. The CAISO grants approval to interconnect with the grid.
- ◊ 2007. The branch of the Water Board covering the region of the project issues a letter that is it ready to assist the Water Board "to craft appropriate conditions for the issuance of Section 401 water quality certifications for the project."
- ◊ 2009. The Water Board moves to dismiss the 401 Application on procedural grounds, and Nevada Hydro files a petition for reconsideration, which is rejected.
- ◊ 2011. In May, the FERC staff serves notice that it intends to dismiss the application due to "divergent views" of the co–applicants. These "divergent views" were evidence of a very public effort by the District to force changes to the provisions of the Development Agreement. Nevada Hydro did not relent, and FERC affirmed and dismissed the application.
- ◊ 2011. Nevada Hydro sues the Water Board for its dismissal, but withdrew the action when FERC dismissed the license application.
- ◊ 2011. Nevada Hydro immediately files a new application in its own name for the identical project, and in October 2012, FERC grants a preliminary permit under project number 14227. This gives Nevada Hydro three years of exclusively to prepare for and file a new application. Nevada Hydro is now discussing with FERC staff what steps will be required, and the timing therefore, given the huge record developed for the previous application.

### 1.4.2 TE/VS Interconnect Milestone History

- ◊ 1999. Nevada Hydro is contacted by a number of parties to determine whether the route of the LEAPS connection could be used as a regional transmission line, connecting the southern portion of the state with the grid "backbone". NHC agrees, after determining that the connection had independent reliability and economic value and concluding that it could reduce its development risk by pursuing two

projects rather than just one. In the event LEAPS was unable to receive its license, Nevada Hydro would still have the ability to pursue the TE/VS Interconnect alone.

◊ 2005. Nevada Hydro retains Siemens AG to provide engineering, permit support services, and to ultimately provide equipment for and construct the project.

◊ 2006. Nevada Hydro applies to FERC for incentive rates for the TE/VS Interconnect based upon providing independent evidence demonstrating the value of the line to the state's ratepayers.

◊ 2008. FERC grants incentive rates. A range of specific incentives were granted that will result in a return "at the higher end of the zone of reasonableness."[3]

◊ 2010. Nevada Hydro submits the first of several applications to the CPUC for it to issue a "Certificate of Public Convenience and Necessity" for the project. The application required the submittal of a detailed project description, and testimony supporting the company's assertions as to project design, cost and benefits.

◊ 2011. Nevada Hydro does not renew the services agreement with Siemens, and retains Barnard Construction of Bozeman Montana to re–estimate and to construct the Project. Barnard concludes that Siemens cost was inflated, and is able to lower the constructed cost by roughly 15%.

◊ 2012. The CPUC dismisses the most recent application, and sets out preconditions to resubmitting an application for a CPCN. The Applicant has completed all of these preconditions in preparation to resubmit this new application.

## 1.5 Path Forward

Although much has already been accomplished, a few critical steps remain for approval of each project. This section identifies these remaining steps.

### 1.5.1 Path forward for LEAPS

With nearly 2,000 individual filings containing hundreds of thousands of pages identified in the previous licensing docket (P–11858), FERC and NHC are working together to determine how to incorporate the findings and conclusions from the previous docket into the new docket. .

This timing should coincide with the conclusion of a number of proceedings now under way by regulators that will determine the revenue stream(s) a facility like LEAPS might expect. These regulatory proceedings are now working to determine the value of storage, of grid support, of variable resources (meaning resources, like LEAPS, that can quickly vary the amount of electricity it produces or consumes), and of black start (the ability to restart a generator to bring up a section of a blacked out grid). These are all services that LEAPS can supply, and can supply far more efficiently then can other resources. The conclusion of these proceedings will allow area utilities to execute a

[3]/ See FERC docket ER06–278.

long–terms purchase agreement with LEAPS, and could allow LEAPS to look to the market for its revenue (this was the preferred course incorporated in Morgan Stanley's transaction). These proceedings are also addressing the impact of SCE's announced shuttering of SONGS, and how to provide substitute reliability services and energy.

Finally, the Applicant will also manage its relationship with the Water Board, to assure that it will be in a position to act on its approval FERC requires. To this end, the Applicant is working with the Water Board as the lead agency for review under the California Environmental Quality Act ("CEQA").

### 1.5.2 Potential Path forward for the TE/VS Interconnect

Any path forward for the TE/VS Interconnect would require approval from the CPUC or other agency with approval authority to site high voltage transmission.

## 1.6 Major Conclusions

Substantial relevant environmental analysis has been conducted at the federal and State levels to assess the potential environmental impacts associated with the Project, including the analysis found in the FEIS. Because the FEIS represents the independent analysis of the Project by the federal agency with primary responsibility for entitling the generation (pumped storage) component, including its associated transmission lines and ancillary facilities, the Applicant has elected not to substantially modify the contents or findings of that document. The Applicant generally accepts the environmental analysis presented in the FEIS and has agreed to implement those "environmental protection, mitigation, and enhancement measures" (PM&Es) identified therein.

As presented in the "Final Environmental Impact Report/Environmental Impact Statement – SDG&E Sunrise Powerlink Project, A.06-08-010"[4] (Sunrise FEIR/FEIS), an environmental analysis of the Project has also been conducted by the Commission. Because the Sunrise FEIR/FEIS represents the independent analysis of the Project by the State agency, with primary responsibility for entitling the transmission component, including its associated system upgrades, the Applicant has elected not to substantially modify the contents of that document. With minor revisions designed to best reflect the Project, the Applicant generally accepts the environmental analysis presented in the Sunrise FEIR/FEIS and can implement those "additional mitigation measures" identified therein.

As indicated in the FEIS and/or Sunrise FEIR/FEIS, the Project's implementation will result in one or more significant or potentially significant unmitigable environmental effects. Based on the continuing existence of significant unmitigable environmental effects, the Project will necessitate, under CEQA, the preparation of an environmental impact report (EIR) or equivalent environmental documentation.

[4]/ California Public Utilities Commission and U.S. Department of Interior , Bureau of Land Management (Aspen Environmental Group), Final Environmental Impact Report/Environmental Impact Statement – SDG&E Sunrise Powerlink Project, A.06-08-010, October 2008.

## 1.7 Areas of Controversy

Extensive opportunities have been provided to the public and to public agencies to present comments to FERC, the Commission, the Applicant and other parties concerning the potential environmental impacts attributable to the Project. The totality of the FERC environmental review record, in combination with the information presented in the Commission's separate administrative record[5], of which the Sunrise FEIR/FEIS is a part, has allowed for a reasonable airing of relevant environmental issues and presents a factual basis for the identification of potential areas of controversy.

Since a substantial portion of the Project is located on federal lands, one often raised area of controversy relates to whether NFS lands should be utilized for the proposed endeavor and made available to a for-profit entity for non-public activities rather than retained exclusively for preservation, conservation, and wildlife protection purposes.

Since reasonable people can disagree, different conclusions can and often are drawn based on each individual's interpretation of available data, as influenced by personal experiences and other factors. As such, there likely does not exist a universal consensus with regards to the severity of a number of environmental effects (e.g., wildfire hazards), the appropriateness of the thresholds of significance criteria selected, the efficacy of the mitigation measures and other actions proposed in response thereto, and the level of significance of the post-mitigated environment.

Because of high energy costs, a growing segment of the population might be categorized as being disenchanted with energy producers and regulators. As such, there exists an increasing interest by some consumers to be "off the grid." Many off-the-grid advocates would proposed no further investment in central plant facilities and transmission lines but rather encourage regulators to redirect efforts toward distributed generation and resource conservation.

With regards to the Project, a number of comments have raised the issue of "one project or two," focusing on the concern that it is either the Applicant's intent or the likely consequence of market and other constraints that only the transmission component of the Project will be constructed and that the pumped storage component will not be built. Because the pumped storage component will necessitate a long-term source of water to operate, the implementation of the FERC project would reasonably be expected to include reasonable guarantees that water levels in Lake Elsinore would be stabilized. The nexus between LEAPS operation and lake stabilization can be established. Certain stakeholders believe that any development of the TE/VS Interconnect will result in the creation of significant locally adverse environmental consequences with few offsetting local benefits and that the benefits to the local area can only materialize through the implementation of LEAPS.

Finally, as the project is to be located relatively near to the recently shuttered San Onofre nuclear power plant (SONGS), some comments related to whether the project could help the state address the potential energy shortfall due to the loss of SONGS.

[5]/ Appendix M to the CPCN Application contains documentation pertaining to the Commission–ordered public workshop sponsored by Nevada Hydro and held in 2012.

## 1.8 Issues to be Resolved

Until FERC issues the proposed hydropower license, the precise nature and extent of federal, entitlements cannot be determined. If operating only under the FPA, FERC may be precluded from licensing certain facilities associated with the Project. Conversely, Section 1223 of the Energy Policy Act of 2005 (EPAct 2005) (16 U.S.C. 791a *et seq*.) encourages, as appropriate, the deployment of "advanced transmission technologies," defined as "a technology that increases the capacity, efficiency, or reliability of an existing or new transmission facility, including pumped hydro. In an "Order on Rate Request," issued November 17, 2006, FERC found that "the LEAPS facility is an advanced technology per EPAct 2005." Since FERC has identified LEAPS as an "advanced transmission technology," thus blurring, in some way, the distinction between transmission and generation (pumped storage), FERC may elect to include, as part of its own discretionary approval, all or some portion of the TE/VS Interconnect. In the event that FERC does license the entire Project, the implications of that action to pending State permits and approvals would need to be addressed among agencies.

It is noted that FERC and the state in which a FERC-licensed project is located generally do not share the final decision of any issues in a licensing proceeding (First Iowa Hydro-Electric Cooperative v. Federal Power Commission). Under the Commerce and Supremacy Clauses of the United States Constitution, the FPA preempts state law that would otherwise apply to FPA-licensed projects, except where the FPA reserves state authority over a specific issue (Sayles Hydro Association v. Maughn). The primary exceptions include: (1) water quality certification issued under Section 401(a) of the Federal Clean Water Act (CWA); (2) issuance and regulation of water rights necessary for project operation and to prevent injury to prior water rights (Section 27, FPA [16 U.S.C. 821]); (3) regulation of retail rates for electrical service (Section 16, FPA [16 U.S.C. 812]); and (4) authorization for a state or municipal agency to take over any licensed project, through a condemnation proceeding and on payment of fair-market value (Section 14(a), FPA [16 U.S.C. 807a]).

Since the FERC preemption does not appear to include 401 water quality certifications, any CEQA documentation resulting from the filing of this EIR would need to identify the SWRCB as a Responsible Agency. Because that CEQA documentation would extend beyond that which might otherwise be required if the Project were confined to those activities subject to a CPCN authorization, the manner in which LEAPS and TE/VS Interconnect are integrated into a single environmental impact report (EIR) needs to be addressed by Commission staff, working in cooperation with the SWRCB and other State Responsible Agencies.

Although FERC's FEIS identifies the location of specific facilities and the general alignment of the transmission lines, pending FERC's publication of a "Record of Decision" (ROD) and issuance of the federal hydropower license, FERC may elect to authorize any of the alternative facility locations and/or transmission alignments identified in the FEIS.

Presented in this EIR is "whole of the action" as defined by the Applicant, the Applicant's stated objectives, and a reasonable range of alternatives which, if implemented, would allow for the fulfillment, in whole or in part, of those objectives. Under CEQA, one of the issues that remain

to be resolved is the choice among alternatives and whether or how to mitigate the Project's significant effects.

## 1.9 Inter-Agency Coordination and Public Outreach

Following FERC's acceptance of the TNHC's preliminary permit application for filing, the Applicant prepared an "Initial Stage Consultation Document" (ISCD) and conducted an initial scoping meeting on June 12, 2001 to solicit comments concerning LEAPS and its associated transmission facilities. Extensive notification occurred with each successive step in the FERC hydropower licensing and NEPA compliance processes. Commencing on March 19, 2001, a series of community outreach meetings were conducted by the Lake Elsinore Advanced Pumped Storage Oversight Committee (LEAPS/OC) and by the Lake Elsinore Advanced Pumped Storage Oversight Committee Technical Advisory Committee (LEAPS/TAC). The members of the LEAPS/OC and the LEAPS/TAC were appointed by the Board of Supervisors of the County of Riverside.[6]

Prior to the publication of the "Draft Environmental Impact Statement for Hydropower License – Lake Elsinore Advanced Pumped Storage Project, FERC Project No. 11858, FERC/EIS-0191D" (DEIS), FERC released two separate scoping documents, dated August 5, 2004 and January 25, 2005, and conducted public scoping meetings on September 8-9, 2006. Following the publication of the DEIS, FERC conducted additional scoping meetings on April 4-5, 2006. Each of those meetings was noticed as joint NEPA and CEQA scoping meetings. The FERC record includes evidence of extensive outreach efforts, noticing and notification, and public meetings conducted for the express purpose of soliciting comments on the potential environmental impacts attributable to the Project.

Since the publication of the FEIS, the Commission has also conducted extensive outreach on the Project, both in connection with the environmental analysis for the Sunrise Powerlink project, and in connection with the former dockets for this application.

Those efforts are described, in part, in the following section.

### 1.9.1 Interagency Coordination

The Applicant has met with a wide range of federal, State, and local governmental agencies to discuss compliance obligations, to obtain each agency's comments, concerns, and recommendations, and to identify those discretionary permits and approvals that may be required from those agencies. Permit applications have been filed with and are being actively pursued with a number of agencies, including the Forest Service, the State Water Resources Control Board (acting on behalf of the California Regional Water Quality Control Board, Santa Ana and San Diego Regions), and United States Army Corps of Engineers.

[6]/ County of Riverside, District Agenda No. 3.1, Establishment of an Oversight Committee to Review Hydroelectric Plant Proposal – Lake Elsinore Area, December 15, 2000; County of Riverside, District Agenda 3.67, Modification of Oversight Committee Established to Review Hydroelectric Plant Proposal – Lake Elsinore Area, February 23, 2001.

### 1.9.2 Section 7 Compliance

With regards to the Project, documentation of the United States Fish and Wildlife Service's (USFSW) and the National Marine Fisheries Service's (NMFS) compliance with Section 7 of the Federal Endangered Species Act (ESA) has been submitted to the Commission.

### 1.9.3 Tribal Governments

Acting under the provisions of 36 CFR 800.2(c)(4), the Applicant requested FERC and FERC conveyed to the Applicant authorization to initiate consultation under Section 106 of the National Historic Preservation Act of 1966 (NHPA) with the State Historic Preservation Officer (SHPO) and with the Tribal Historic Preservation Officers (THPOs) of pertinent Native American groups on behalf of FERC. The FERC environmental review record identifies the tribal governments that were part of those outreach efforts and the consultation that occurred as a result thereof.

### 1.9.4 Agencies/Organizations Associated with the Project

Presented in this EIR is a listing of those agencies, organizations, and individuals that are or may be associated with the Project. The list includes: (1) the Commission, acting in its capacity as the CEQA Lead Agency; (2) the Applicant; (3) the State and regional environmental clearinghouses; (4) potential Responsible Agencies that will or may be required to take one or more discretionary actions concerning the Project and who may be required to utilize the CEQA Lead Agency's final EIR as part of their own independent deliberations; (5) other federal agencies from whom discretionary permits or approval will or may be required; and (6) Trustee Agencies having jurisdiction by law over those natural resources affected by the proposed Project.

In preparing the list of potential Responsible Agencies, Trustee Agencies, and federal agencies, the Applicant has attempted to be inclusive of all agencies from which discretionary permits and approvals will or may be required for the approval and implementation of any portion of the Project. Other agencies may, however, be identified as further analysis of the Project is undertaken by the Commission.

### 1.9.5 Commission Ordered Workshop

In its Decision Number D12-05-022 dated May 24, 2012, the CPUC set forth a number of requirements as preconditions to the refiling of any application. One of those requirements was that Nevada Hydro was to convene a technical workshop.

In the spirit of compliance with the order and as part of its consultation obligations under the FPA, Nevada Hydro convened and hosted a public meeting on August 9, 2012, at the Murrieta Community Center, a location central to the project location. The meeting, although scheduled for the hours 4 pm to 8 pm, actually began at 3:30 pm commensurate with the arrival of interested parties, and lasted until after 8 pm. The timely noticing of the meeting exceeded CPUC noticing requirements by a wide margin. In addition, a number of the conversations between the interested parties and Nevada Hydro representatives were filmed. All of the

evidence of noticing has been prepared for the Commission's review, including proof of delivery. A list of the attendees as well as transcripts of the comments, questions and answers between Nevada Hydro representatives and the workshop guests is available.

A copy of the Final Report prepared in compliance with the Commission mandate may be found in Appendix M to the CPCN Application.

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