

**FINAL APPLICATION FOR LICENSE
OF MAJOR UNCONSTRUCTED PROJECT**

**EXHIBIT E
ENVIRONMENTAL REPORT**

Section 1 – General Setting

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

Applicant:

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September 2017

Table of Contents

| <u>Section</u> | | <u>Page</u> |
|----------------|--|-------------|
| 1.0 | GENERAL DESCRIPTION OF THE LOCALE | 1 |
| 1.1 | General Regulatory Setting | 3 |

List of Figures

| <u>Table</u> | <u>Page</u> |
|--|-------------|
| Figure E. 1-1: Regional Location Map | 2 |
| Figure E. 1-2: Project Facilities Location Map | 3 |

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Exhibit E – Section 1

General Description of Locale

As required under 18 CFR 4.41(f)(1), the Applicant is to provide a general description of the environment of the proposed project area and its immediate vicinity. The description must include location and generation information helpful to an understanding of the environmental setting.

1.0 General Description of the Locale

The following components of Applicant's Proposed Project are located within the San Jacinto and Santa Ana River watersheds: northern primary transmission line, Lake Switchyard, Santa Rosa Substation, LEAPS Powerhouse, and Decker Canyon Reservoir. Other components of the Proposed Project, including the southern portion of the primary connection extending to the Case Springs substation are located in adjacent watersheds, including San Juan and San Mateo Creeks, the Santa Margarita and San Luis Rey Rivers, and Escondido Creek.

The San Jacinto River watershed covers more than 780 square miles of widely varying terrain. The basin is bounded by the Santa Ana Mountains (including the Elsinore Mountains, Santa Margarita, and the Santa Rosa Plateau) to the west and the more distant San Jacinto Mountains to the east and drains into Lake Elsinore (a naturally occurring graben lake). The Santa Ana River is the largest stream system in southern California. The Santa Ana River Basin covers an area of about 2,700 square miles in parts of Orange, San Bernardino, Riverside, and Los Angeles Counties.

Lake Elsinore is a natural low point in the San Jacinto River basin; it does not connect with the Santa Ana River in normal rainfall conditions. In high precipitation and runoff years, the San Jacinto River flows through Lake Elsinore to the Santa Ana River via Temescal Wash, a natural drainage system that extends about 28 miles from Lake Elsinore to the Santa Ana River, which eventually drains to the Pacific Ocean. Most of the river basin comprises chaparral vegetation and farming/ranching type land uses with increasing urban/residential and commercial land uses close to Lake Elsinore. Most of the mountain ranges are forested with major land uses including recreation, conservation, and residential housing. Traveling westward toward the coast, land uses generally become predominately urban.

Lake Elsinore is easily accessible via the Interstate 15 (I-15) Freeway. State Route 74 (SR-74 or Ortega Highway) connects the City of San Juan Capistrano (Orange County) to the I-15 (Corona or Escondido) Freeway on the east side of the Santa Ana Mountains (Riverside County).

The general Project area typically experiences warm, dry summers and mild, wet winters. The general climate is characterized as Mediterranean, with a mean annual temperature of 64 degrees (°) Fahrenheit (F). Most precipitation occurs during winter months with a mean annual precipitation of 11.7 inches. Precipitation increases sharply with rising elevations in the Santa

Ana Mountains, such that the seasonal mean precipitation is about 25 inches only 1.5 miles from the shore of Lake Elsinore. Air quality in the area is good, and the area experiences a generally moderate eastward wind and weather pattern flow.

Please see Figure E. 1-1: Regional Location Map and Figure E. 1-2: Project Facilities Location Map for the regional location and project location, respectively.

Detailed graphics showing the entire project may be found in Exhibit G of this Application Figure G–1 (Detailed Route Maps). Detailed proposed siting information of the primary transmission lines within the Cleveland National forest may also be found in Volume 3 of this application (Collaboration Between the Cleveland National Forest and Nevada Hydro).

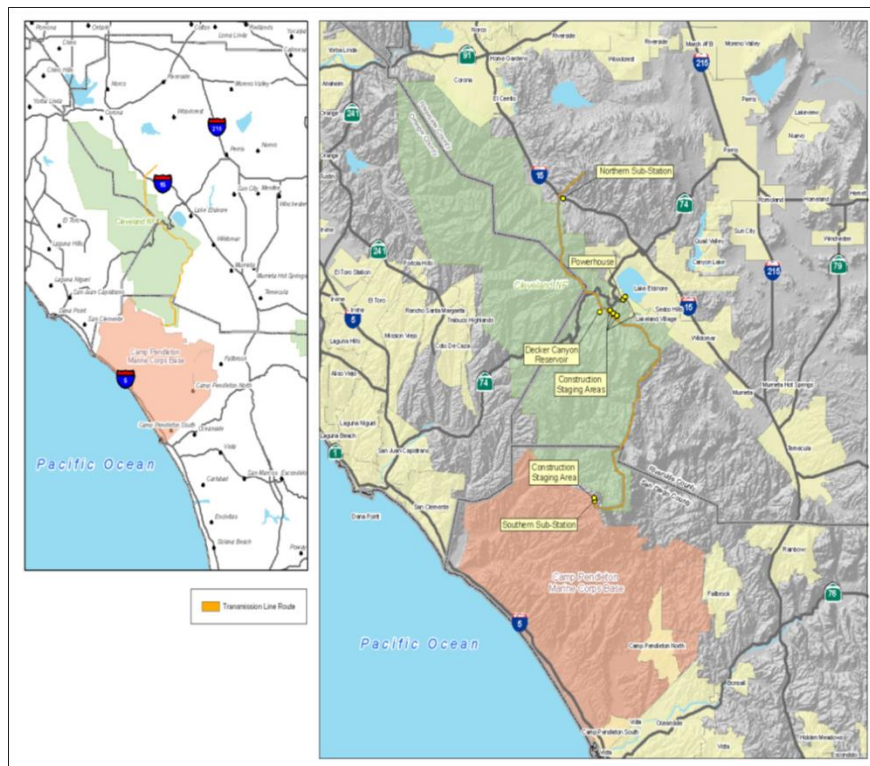


Figure E. 1-1: Regional Location Map

Source: The Nevada Hydro Company

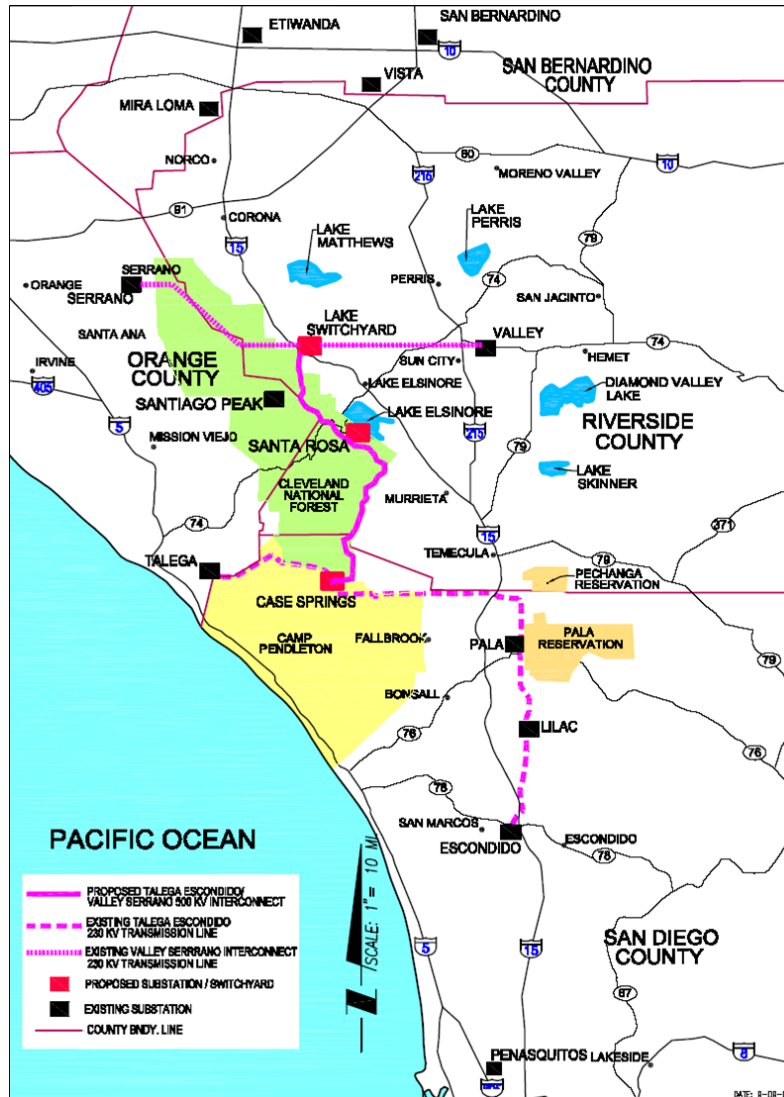


Figure E. 1-2: Project Facilities Location Map

Source: The Nevada Hydro Company

1.1 General Regulatory Setting

As further noted in this application (FLA), the information presented in the FLA will be used by the CEQA Lead Agency” in fulfillment of “Federal (NEPA) and State (CEQA) environmental obligations.” Specifically, Exhibit E (Environmental Report) in the FLA contains an extensive discussion of the existing environmental and State and Federal regulatory setting.¹

The “Final Environmental Impact Statement for Hydropower License – Lake Elsinore Advanced Pumped Storage Project, FERC Project No. 11858” (FEIS) and “Final Environmental Impact

¹ / As defined in Title 18, Section 380.2(f) of the Code of Federal Regulations (CFR), the “[e]nvironmental report or ER means that part of an application submitted to the [Federal Energy Regulatory] Commission by an applicant for authorization of a proposed action which includes information concerning the environment, the applicant’s analysis of the environmental impact of the action, or alternatives to the action required by this or other applicable statutes or regulations.”

Report/Environmental Impact Statement and Proposed Land Use Amendment – San Diego Gas & Electric Company Application for the Sunrise Powerlink Project, SCH No. 2006091071, DOI Control No. DES-07-58” (Sunrise FEIR/FEIS), inclusive of their environmental review records, provide additional supportable background information concerning the Project’s existing environmental and regulatory setting. The FEIS for Project No. 11858 and the executive summary for the Sunrise FEIR/FEIS) are both available in Volume 3 of this Application.

As indicated in the FEIS, the Applicant “has the opportunity to use this document, as appropriate, to satisfy its responsibilities under CEQA.”² The information presented herein is not intended to conflict with that presented in the FEIS and/or Sunrise FEIR/FEIS with regard to the description of the Proposed Project or the description of the existing environmental and regulatory setting presented associated therewith or located herein.

² / 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, p. 1-10.