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during both construction and operation. As such, no further traffic mitigation is warranted other than as may be associated with construction activities.

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- ~~Mitigation Measure P-6b (Update and follow Sempra's Physical and Climatic Target Area Evaluation Form). The Applicant shall update Sempra's Physical and Climatic Target Area Evaluation Form to contain current contact information, and all personnel shall follow the steps laid out in the Form during all stages of project construction and operation.~~

B0018-25

TNHC Response. Although improvements to SDG&E facilities have been identified, neither the TE/VS Interconnect nor the LEAPS alternatives are proposed as Sempra or SDG&E-operated facility. As such, the Lead Agencies should neither seek to impose obligations upon TNHC which would appropriately be obligations upon other parties nor mandate that TNHC's procedures replicate those of others participating transmission organizations.

- ~~Mitigation Measure P-9a (Notify residents and recreational users of rotenone use). At least 30 days prior to application of rotenone, the Applicant shall post signs at all lakeshore recreation areas and shall publish notices in local newspapers, informing the public of the timing of planned rotenone application. The notice shall provide information on lake closure and potential health effects. In addition, the Applicant shall patrol the lake at all recreation sites during the closure to ensure that no recreation takes place during the period of rotenone exposure.~~

B0018-26

TNHC Response. The operation of Lake Elsinore, including fisheries management, is the obligation of other parties and not those of TNHC. As proposed, the LEAPS project does not include plans for rotenone use in Lake Elsinore. As such, no nexus exists between the proposed LEAPS project and this mitigation measure.

- Mitigation Measure H-9b (Compensate affected water supply). Should destabilization of artesian groundwater serving as water supply occur, the Applicant shall compensate delivery of additional water supply where a direct linkage between the Applicant's actions and a diminution of water supplies can be firmly affixed in consultation with EVMWD.

B0018-27

TNHC Response. To the extent that the LEAPS project was to impact groundwater resources, those impacts (if any) would likely occur as a result of drilling and tunneling operations within the San Juan Creek watershed. Although the EVMWD has a limited number of customers within that watershed, groundwaters available to and accessed by the EVMWD are extracted from the Santa Ana River watershed. As such, the proposed project would not be expected to substantially impact any groundwaters under the control and jurisdiction of the EVMWD. Any reference to the EVMWD in this mitigation measure would, therefore, be inappropriate.

Although not deemed germane to these comments, the Lead Agencies are reminded that TNHC and the EVMWD are co-applicants on a number of pending applications and have entered into a development agreement (1997) that stipulates the relationship, responsibilities, and obligations of both parties. As such, none of the comments presented herein are intended to contradict any of the provisions outlined therein.

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- Mitigation Measure H-14a (Develop and implement a water spill, release, and/or leak prevention plan). Unless otherwise addressed in any permit issued by FERC, the USFS, and/or the California Division of Safety of Dams, at least 60 days prior to construction of the upper reservoir, the Applicant shall file with the State Water Resources Control Board (SWRCB), CPUC and EVMWD a plan for protection of the San Juan Creek Watershed from any water spill, release, and/or leak. The plan shall be reviewed and approved by the SWRCB, CPUC and EVMWD prior to initiation of construction activities. At a minimum, the plan must require the Applicant to (1) maintain the project area sealed off from the San Juan Creek Watershed during construction and operation of the project; (2) to periodically test the upper reservoir for any leaks, releases, and/or spills; (3) to inform the SWRCB, CPUC and EVMWD immediately of the nature, time, date, location, and action taken for any spill affecting the San Juan Creek Watershed; and (4) establish a protocol for cleanup and monitoring any spill, release, and or leak that must be reviewed and approved by the SWRCB, CPUC and EVMWD.

B0018-28

TNHC Response. The LEAPS project's proposed upper reservoir will be licensed by FERC and authorized under the provisions of a USDA Forest Service SUP. TNHC believes that its design, construction, and monitoring obligations and performance requirements relating to water spill, release, and/or leak prevention are under the jurisdiction of FERC, the USDA Forest Service, the California Division of Safety of Dams, the State Water Resources Control Board, and/or the California Regional Water Quality Control Board, San Diego Region. Since the upper reservoir is not under the jurisdiction of the CPUC and/or the EVMWD and would be located on federal lands, with regards to this mitigation measure, no nexus exists between the LEAPS alternative and the agencies listed therein. As a result, TNHC's proposed modifications merely seek to link the mitigation measure with those agencies which will be responsible for the measure's implementation.

As modified, the revised "additional mitigation measures" identified therein and relevant to the "LEAPS Transmission-Only Alternative" and the "LEAPS Generation and Transmission Alternative" would appear to represent a reasonable set of conditions, acceptable to TNHC, that would serve to reduce the potential environmental impacts of those alternatives to the maximum extent feasible. TNHC requests that the mitigation measures presented in the Sunrise DEIR/DEIS and assigned to the TE/VS Interconnect and LEAPS alternatives be revised in the manner described in the following attachments: "Revised 'Additional Mitigation Measures' - LEAPS Transmission-Only Alternative" and "Revised 'Additional Mitigation Measures' - LEAPS Generation and Transmission Alternative." TNHC further requests that these revised "additional mitigation measures" be brought forward as part of the TE/VS Interconnect project's separate proceedings under CPUC No. 07-10-005.

B0018-29

Renewable (Geothermal) Energy from the Imperial Valley

As indicated in the Imperial Valley Study Group's (IVSG) "Development Plan for the Phased Expansion of Transmission to Access Renewable Resources in the Imperial Valley" (September 30, 2005): "The fact that the IID system extends around much of Imperial County makes it possible for renewable resources, including wind and solar, to connect to many locations, at workable voltages" (p. 26). Transmission options examined by the IVSG included "a new connection to the SCE system from a new San Diego North substation across the Lake Elsinore Advanced Pumped Storage Project (LEAPS) route" (p. 27).

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Despite those findings, the Sunrise DEIR/DEIS stated that the "LEAPS Project Alternative" and the "LEAPS Generation and Transmission Alternative" would "only partially achieve the objective to accommodate delivery of renewable energy from the Imperial Valley because it would be principally dependent upon the completion of other transmission upgrades between the Imperial County and SCE system" (pp. E.7-7 and E.7-227). However, as noted by the Imperial Irrigation District (IID) in comments submitted to the Lead Agencies on March 12, 2008:

B0018-30 cont.

In assessing the various alternatives presented in the Draft EIR/EIS, the EIR/EIS Team ranked the LEAPS Transmission-Only Alternative (LEAPS Transmission) as the highest ranked transmission alternative. However, the Draft EIR/EIS found that this alternative only met two of the three major project alternatives. The one major project alternative that the Draft EIR/EIS found not to be met was that LEAPS Transmission did not provide direct access to Imperial Valley renewable resources. At the time that the Draft EIR/EIS was prepared, the EIR/EIS team may not have been aware of IID's Coachella Valley-Devers II project described in Section 2.3.5.2 above. As I testified above, this is a thirty-five mile transmission line that will connect the IID system in the Coachella Valley area to the LADWP and California Independent System Operator (CAISO) balancing authority areas near Palm Springs. It will carry up to 1600 MWs of energy from IID's Coachella Valley substation to the proposed Devers II substation near SCE's existing Devers substation. The CV-Devers II project will be either a double-circuit 230 kV or single-circuit 500 kV line with an anticipated commercial operation date of 2013. IID's CV-Devers II project will provide a direct path for Imperial Valley renewables into the SCE system. This new line, in conjunction with the LEAPS Transmission project which connects SDGE to SCE, will provide SDGE with direct access to Imperial Valley renewables. Thus, all three major project objectives are satisfied by LEAPS Transmission.

As further indicated in the "Phase II Rebuttal Testimony of the Imperial Irrigation District," as filed with the CPUC on March 28, 2008 (A.06-08-010), Jesse Montañó, Assistant Superintendent Transmission Contracts at IID testified that "renewables from the Imperial Valley can be wheeled through the IID system and delivered at multiple locations into SCE's system. Both IID's Coachella Valley-Devers II project and the upgrade (bundling) of SCE-IID's Path 42 will increase export capability from IID's system to SCE's system. The TE-VS line will then provide a new link between SCE and SDGE. Therefore, TE-VS will meet the project objective by allowing direct access to Imperial Valley renewables."

Based on the work completed to date by the IVSG and IID's comments and testimony, it is evident that the TE/VS Interconnect alternative provides an alternative means to bring geothermal energy from the Imperial Valley into the San Diego area. As a result, the statement in the Sunrise DEIR/DEIS that the TE/VS Interconnect "does not provide direct access to the transmission grid for new renewable resources in the Imperial Valley" (p. ES-3) needs to be modified and the ability of this alternative to satisfy each of the three stated objectives appropriately modified.

Other Comments on the Sunrise DEIR/DEIS

The Sunrise DEIR/DEIS concludes that the "LEAPS Transmission-Only Alternative is found to be the Overall Environmentally Superior Transmission Line Route Alternative" (pp. ES-64 and ES-65).

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While confirming our own study's findings, TNHC respectfully disagrees with the Lead Agencies' determination that the "LEAPS Generation and Transmission Alternative" was assigned a lesser environmental rating than the Sunrise Powerlink. As noted in the Sunrise DEIR/DEIS, the "LEAPS Generation and Transmission Alternative" has "44 significant, unmitigable impacts" (p. ES-4). In comparison, the Sunrise Powerlink has "50 significant unmitigable impacts" (p. ES-25).

B0018-31 cont.

TNHC believes that the document's draft conclusion is the result of the Lead Agencies' failure or inability to provide an "apples-to-apples" comparison allowing the ranking of alternatives based on a scale that equates each alternative's overall benefit to the State's power grid, to the State's ratepayers, and ability to contribute to the attainment of the State's Renewable Portfolio Standards versus its comparable environmental effects.

As acknowledged in the Sunrise DEIR/DEIS, "the LEAPS project would be used to provide regional electrical system benefits, including reactive compensation, rapid load change capability, system load and frequency control, and emergency startup capability during blackout conditions" (pp. E.7-226 and 227). No such benefits are provided by or are accredited to the Sunrise Powerlink project.

As stated, one of the basic objectives of the Sunrise Powerlink project is "to accommodate the delivery of renewable energy to meet State and federal renewable energy goals" (p. ES-20). With regards to the "LEAPS Generation and Transmission Alternative," the LEAPS project allows renewable energy resources (including geothermal, wind, and solar) generated during off-peak periods to be stored for use during peak-demand periods. The California Energy Commission's (CEC) "2007 Integrated Energy Policy Report" (2007 IEPR) states that the CEC has "determined that SDG&E's 2006 long-term procurement plan exceeds the 2010 RPS [Renewable Portfolio Standard] goal by approximately 334 gigawatt hours (76 megawatts) in 2010, but is short of a trajectory toward 33 percent in 2020 by approximately 880 gigawatt hours in 2016 (201 megawatts)" (p. 120). Conversely, the State's 2008 "Energy Plan Update" (February 2008) notes that California "will likely not make 20 percent renewables by 2010" and, in order to achieve a 33 percent goal, the State "needs to implement some aggressive programmatic changes" (p. 12).

B0018-32

With regards to the Sunrise Powerlink, the 2007 IEPR states that the CEC "has no position regarding the path the line should take, but urges the parties to find a workable solution as the Sunrise Powerlink transmission project appears necessary for SDG&E to achieve the state's renewable energy goals of 20 percent by 2010 and 33 percent by 2020" (p. 110). The 2007 IEPR concludes that "new pumped storage, such as the proposed Lake Elsinore Advanced Pump Storage facility in rapidly growing Riverside County. . .may provide further assistance for 'storing' renewable energy" (p. 118).

In the context of the 2007 IEPR, rather being limited solely to any specific project, reference to the "Sunrise Powerlink" must be construed to include any of the alternatives thereto that satisfy the "basic objectives" (p. ES-20) of that project. Recognizing that the State will likely fail to achieve its 20 percent RPS goal by 2010 and its 33 percent goal by 2020, it becomes increasingly evident that the Sunrise Powerlink will not allow the State "to meet State and federal renewable energy goals" (p. ES-20). Thus, the preliminary finding that SDG&E's project "meets all major project objectives" merely because it would "encourage development of renewable generation in Imperial Valley" (ES-4) falls short of the performance standard established in the referenced objective. Alternatively, LEAPS' ability to store renewable energy generated during off-peak periods, allowing for the consumption of that energy during periods of peak demand, serves to move the State closer to the

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attainment of its RPS objectives. Arguably, because of its pumped storage component, of all the alternatives examined in the Sunrise DEIR/DEIS, only the "LEAPS Generation and Transmission Alternative" has the potential to actually meet the three objectives established therein.

B0018-32 cont.

SCE's Tehachapi Renewable Transmission Project provides access to approximately 4,500 MW of wind generation. In contrast, approximately 1,800 MW of geothermal capacity and 900 MW of solar potentially exist within the Imperial Valley. Should prospective geothermal and solar energy resources within the Imperial Valley not become available within the time period assumed, implementation of the "LEAPS Transmission-Only Alternative" and/or the "LEAPS Generation and Transmission Alternative" would allow San Diego to access available, remote renewable resources (e.g., Imperial Valley, Tehachapi, San Geronio). Recognizing that renewable energy resource potential is substantially greater in the Kern County and Riverside County areas, the ability of the TE/VS Interconnect and LEAPS alternatives to access wind and other resources provides greater assurance that renewable energy can and will actually be delivered to the San Diego area.

B0018-33

Based on the precise language of each of the Lead Agencies' objectives, both the proposed project and each of the identified alternatives need to be reexamined to again assess each alternative's ability to achieve those objectives. When reassessed, the Lead Agencies would reasonably conclude that the TE/VS Interconnect and the LEAPS alternatives are the only projects that will allow for the attainment of those objectives.

Final Biological Opinion

On March 19, 2008, the USFWS issued the Final BO in response to the FERC FEIS. The attached letter constitutes a take authorization for arroyo toad and a no jeopardy biological opinion for Quino checkerspot butterfly, Stephens' kangaroo rat, and coastal California gnatcatcher. The Final BO concludes formal Section 7 consultation between the USFWS and FERC with regards to both the TE/VS Interconnect and LEAPS projects, subject to the provisions and stipulations outlined therein. A number of "conservation measures" were identified by the USFWS. The findings of the USFWS constitutes supportable and uncontrovertibly evidence of the potential impacts of the TE/VS Interconnect and LEAPS projects on the region's protected biological resources.

B0018-34

Each of those "conservation measures" have been accepted by TNHC and become self-imposed obligations (distinct from CEQA mitigation measures) with regards to the LEAPS project and, as applicable, to the TE/VS Interconnect project. As such, these "conservation measures" should be included as "additional mitigation measures" for the "LEAPS Transmission-Only Alternative" and "LEAPS Generation and Transmission Alternative" in the Sunrise DEIR/DEIS and, upon resubmittal, included as "protection, mitigation, and enhancement measures" in TNHC's PEA (CPUC No. 07-10-005).

TNHC does not believe that the Lead Agencies (and specifically the CPUC) needs to delay acting affirmatively with regards to the "LEAPS Transmission-Only Alternative," deferring such action to separate proceedings, but can select the TE/VS Interconnect alternative as the "preferred project" under these proceedings. That action would appear to be the appropriate State response to the recent FERC ruling (Docket Nos. ER06-278-000 *et al.*).

In recognition of the Sunrise DEIR/DEIS' conclusion that the "LEAPS Transmission-Only Alternative is found to be the Overall Environmentally Superior Transmission Line Route Alternative," TNHC

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encourages the Lead Agencies to certify the document, once complete, and to adopt the "LEAPS Transmission-Only Alternative" as the preferred project. The Lead Agencies' adoption of "LEAPS Transmission-Only Alternative" would, based on Lead Agencies' own assessment, result in the elimination of a large number of significant environmental effects, reducing the number of significant and unmitigable effects from 50 (for the Sunrise Powerlink project) to 30 (for the TE/VS Interconnect project). In addition, as demonstrated herein, because the TE/VS Interconnect project would directly access renewable resources in the Imperial Valley, the selection of the "LEAPS Transmission-Only Alternative" would allow for the attainment of each of the Lead Agencies' identified objectives.

B0018-35 cont.

Because much of the TE/VS Interconnect project is located within the Cleveland National Forest, the project's acceptance by the USDA Forest Service is critical in order to assess the feasibility of the "LEAPS Transmission-Only Alternative." As indicated in the attached correspondence from Bernard Weingardt, Regional Forester to FERC on March 29, 2007, the USDA Forest Service has previously stated that it had "no objection to a license being issued, subject to certain conditions necessary for the protection and utilization of National Forest System lands and resources affected by the project." As applicable, the USDA Forest Service's "Final 4(e) Conditions" have been incorporated into the design, development, and operation of the TE/VS Interconnect and LEAPS projects.

B0018-36

As a result of FERC's release of the "Final Environmental Impact Statement – Lake Elsinore Advanced Pumped Storage Project, FERC Project No. 11858" in January 2007, the TE/VS Interconnect and the LEAPS projects' compliance with the National Environmental Policy Act (NEPA) have already been demonstrated. Each of those actions suggests that the TE/VS Interconnect project constitutes both the best and the most expedient solution to addressing the energy needs of the San Diego area.

TNHC appreciates the opportunity to submit these comments in response to the Lead Agencies' dissemination of the Sunrise DEIR/DEIS. Although submitted under the CPUC's Sunrise Powerlink project's proceedings (A.06-08-010), to the extent deemed relevant, these comments may also apply to TNHC's separate proceedings (CPUC No. 07-10-005). Should you have any questions concerning this letter, please contact either Rex Wait or David Kates at (760) 599-0088.

Sincerely,



Peter Lewandowski
President

Encl.: Revised "Additional Mitigation Measures" - LEAPS Transmission-Only Alternative
Revised "Additional Mitigation Measures" - LEAPS Generation and Transmission Alternative
Formal Section 7 Consultation
Final 4(e) Terms and Conditions

c: Billie Blanchard, CPUC, Energy Division (w/ enclosures)
Susan Lee, Aspen Environmental Group (w/ enclosures)
Ron Young, Elsinore Valley Municipal Water District (w/ enclosures)