

10.0 DOCUMENTS INCORPORATED BY REFERENCE

10.1 CEQA and NEPA Documents Incorporated by Reference

The following certified CEQA documents and adopted NEPA documents, inclusive of the administrative records associated with those documents, are incorporated herein by reference and, by this reference, made a part hereof. The documents incorporated herein by reference include not only the CEQA and NEPA documents listed but also the accompanying adopted planning and/or policy documents upon which those analyses were based (such as the “Cleveland National Forest Land Management Plan” and the “Western Riverside County Multi-Species Habitat Conservation Plan”).

The incorporated material is inclusive of all relevant documents associated with each referenced publication, including scoping documents, published draft documents, accompanying and related technical studies, exhibits, appendices, and attachments, staff reports, agendas and minutes, agency resolutions, and agency findings.

- 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.

The FERC FEIS examined the potential environmental and economic impacts, including impacts on the human environment, associated with the approval, construction, and operation of the Applicant’s proposed LEAPS and the TE/VS Interconnect projects and each of FERC and USFS-generated alternatives. The FEIS evaluated the potential natural resource benefits, environmental effects, and economic costs associated with granting FERC’s hydropower license and the USFS’ special use permits.

- United States Department of Agriculture, Forest Service, Final Environmental Impact Statement - Land Management Plans: Angeles National Forest, Cleveland National Forest, Los Padres National Forest, San Bernardino National Forest, R5-MB-074A and B, September 2005.

The two-volume final environmental impact statement (EIS) examined the then proposed comprehensive revisions to the land and resource management plans for four national forests located within the southern California area. Specifically addressed therein was the “Cleveland National Forest Land Management Plan.” As indicated in the Forest Service’s “Record of Decision” (April 3, 2006), “Alternative 4a,” as modified, was selected as the CNF forest plan. The forest plan contains provisions for new energy generation and transmission facilities. The LEAPS project was explicitly described and discussed in the final EIS.

- Lake Elsinore and San Jacinto Watershed Authority (Montgomery Watson Harza), Final Program Environmental Impact Report – Lake Elsinore Stabilization and Enhancement Project, SCH No. 2001071042, September 2005.

This final EIR examined the potential direct, indirect, and cumulative impacts associated with the implementation of the Lake Elsinore Stabilization and Enhancement Project, to be implemented by LESJWA independent of the LEAPS and TE/VS Interconnect

projects. As indicated therein, the desired water elevation range for Lake Elsinore is 1240 to 1247-feet AMSL.

As stated therein: “Until recently, supplemental water was supplied to Lake Elsinore from two of the three Elsinore Valley MWD Island Wells (one well is currently non-functional). Since, over the long-term, even continuous pumping of the Island Wells alone (up to approximately 4,800 acre-ft/yr) (up to 3,000 gpm for the two operational wells) could not maintain lake levels within the desired operating range and could adversely affect water levels in the Elsinore Groundwater Basin, the proposed project includes input of up to 10,300 acre-ft/yr (9.2 mgd) of recycled water from the Regional Plant to Lake Elsinore as needed to maintain the lake within the desired operating range. Island Well water would be used more frequently to maintain lake levels until sufficient recycled water is available to displace well water. Title 22 tertiary effluent (recycled water) from the Elsinore Valley MWD Regional Plant is identified as the primary source of supplemental water for Lake Elsinore. The Regional Plant has an existing capacity of 8.0 mgd, and currently treats approximately 4.6 mgd. Wastewater flow projections prepared for the Elsinore Valley MWD Wastewater Master Plan indicate Regional Plant flow will reach 7.5 mgd in 2020 and 8.3 mgd in 2025. . . Discharge of some of the recycled water to Temescal Wash is required to maintain wetland and riparian habitat downstream of the Regional Plant. This minimum flow was previously identified as 0.5 mgd. Plant flows in excess of the minimum Temescal Wash discharge are potentially available for other uses, including input as supplemental water to Lake Elsinore. Under the proposed project, recycled water from the Regional Plant, after chemical treatment for phosphorus removal, would be pumped from the Regional Plant and conveyed in a pipeline to the Wasson Sill, whence it would flow by gravity through Temescal Wash (the Outlet Channel) into Lake Elsinore.”¹

This final EIR examined increasing water inflows into Lake Elsinore for lake stabilization and enhancement, installation of nutrient removal facilities at the EVMWD’s Regional Wastewater Treatment Plant, enhancement of back basin wetlands for nutrient removal, and installation of an in-lake aeration system. The LEAPS project was identified as a related project and the cumulative impacts of the LEAPS project’s implementation explicitly evaluated. The document concluded that the LEAPS project would result in “no effect on the ecology of the lake in terms of sediment mixing, nutrients or turbidity” and that “a large improvement in lake water quality is possible if the inflow and outflow of the pumped water is used correctly.”²

- County of Riverside, Final Program Environmental Impact Report, Riverside County General Plan Update, EIR No. 441, State Clearinghouse No. 2002051143, certified October 7, 2003.

Prior to adopting the then proposed 2002 “Riverside County General Plan Update” (Comprehensive General Plan Amendment No. GPA00618), the County of Riverside (County) prepared a set of existing setting reports and prepared and certified a program EIR addressing the environmental effects associated with the implementation of the proposed County general plan. This final EIR addressed the potential significant

¹/ Lake Elsinore and San Jacinto Watershed Authority (Montgomery Watson Harza), Final Program Environmental Impact Report – Lake Elsinore Stabilization and Enhancement Project, SCH No. 2001071042, September 2005, p. 3-3.

²/ *Ibid.* ,pp. 5-11 and 5-12.

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impacts resulting from the build-out of the general plan and identified mitigation measures and alternatives that could be adopted to reduce or eliminate those effects. The general plan represents a “blueprint for public and private development” and includes plans and policies for both western Riverside County and for specified subsections of the County, represented by individual area plans. The “Elsinore Area Plan” includes the general project area, including unincorporated areas in the vicinity of the City of Lake Elsinore and that portion of the Cleveland National Forest located within the County.

- County of Riverside and United States Fish and Wildlife Service (LSA Associates and DUDEK & Associates), Final Environmental Impact Report/Environmental Impact Statement - Western Riverside County Multi-Species Habitat Conservation Plan, SCH No. 2001101108, certified June 17, 2003.

Section 9 of the Federal Endangered Species Act (FESA) and federal regulations prohibit the “take” of fish and wildlife species federally listed as endangered or threatened. Under certain specified circumstances, the United States Fish and Wildlife Service (USFWS) is authorized to permit the incidental take of threatened and endangered species. Under the “Western Riverside County Multi-Species Habitat Conservation Plan” (MSHCP), which encompasses an approximately 1,967 square mile area, the County and the signatories of the “Implementation Agreement” received an incidental permit to cover a total of 146 species, including 64 plant species, two insect species, two fish species, five amphibian species, 45 bird species, and 14 mammal species. The LEAPS project was specifically identified in this final EIR/EIS.

Both the MSHCP and its accompanying NEPA/CEQA documentation include extensive discussions of the existing environmental setting, including those biological resources that exist within and proximal to the general project area.

- United States Fish and Wildlife Service, Intra-Service Formal Section 7 Consultation/Conference for Issuance of an Endangered Species Act Section 10(a)(1)(B) Permit (TE-088609-0) for the Western Riverside County Multiple Species Habitat Conservation Plan, Riverside County, California, June 22, 2004.

Following the County of Riverside’s adoption of the MSHCP, the USFWS issued a Biological and Conference Opinion (Opinion), in accordance with Section 7 of the Federal Endangered Species Act, regarding the issuance of an incidental take permit for the plan’s implementation. The Opinion addressed 14 federally listed animals, 11 federally listed plants, and 121 unlisted plants and animals (collectively Covered Species). In addition, the Opinion addressed critical habitat for the federally endangered Quino checkerspot butterfly, endangered least Bell’s vireo, endangered San Bernardino kangaroo rat, and threatened coastal California gnatcatcher. Among other things, the Opinion presents extensive information concerning the existing biological resources in western Riverside County, species assessments, and impacts upon those resources resulting from areawide development, including future “electrical utility facilities” and “future energy facilities.”

- County of Riverside, Final Environmental Impact Report – Sycamore Creek Specific Plan, Specific Plan No. 256, EIR No. 325, certified November 8, 1994.

This project-level CEQA document examined the potential impacts associated with the development of the approximately 718-acre Sycamore Creek Specific Plan No. 256 (Resolution No. 94-329), as amended (EA39372), including Tentative Tract Map Nos. 31610 and 31908. A segment of the proposed Northern 500-kV transmission line traverses or abuts the area of Tract Map No. 31908. Information presented in that document concerning the existing environmental setting in proximity to that tract map area and the impacts resulting from projected development in that general project area is relevant to the proposed project.

- United States Army Corps of Engineers, Final Environmental Impact Statement, San Juan Creek and Western San Mateo Creek Watershed Special Area Management Plan (SAMP), Proposed Watershed-Based SAMP to Balance Aquatic Resource Protection and Reasonable Economic Development, Southern Portion of Orange County, CA, EIS No. 20060543, January 2007.

The NEPA document examined the impacts associated with the establishment of a special area management plan (SAMP) for a 131,000-acre area in the San Juan Creek and western San Mateo Creek watersheds in southern Orange County. The SAMP establishes three alternative permitting procedures that seek to balance aquatic resource protection and reasonable economic development. The EIS will serve as the basis for the impact analysis for future development in the SAMP area. Because portions of the proposed project are located within the San Juan Creek and San Mateo Creek watersheds, the information presented in this EIS is relative to an understanding of existing environmental conditions within those watersheds.

- United States Department of Agriculture, Forest Service, Final Environmental Impact Statement – Forest Service Roadless Area Conservation, November 9, 2000.

On February 12, 1999, the Forest Service published an “Interim Roadless Rule” (64 FR 7290) suspending road construction and reconstruction in certain unroaded NFS areas. On May 10, 2000, a proposed Roadless Rule was published in the Federal Register (65 FR 30276) which included both precluded road construction and reconstruction in most inventoried roadless areas and procedures that required evaluation of the quality and importance of roadless characteristics and how those characteristics would be conserved during land management plan revisions. The final rule (66 FR 3246) became effective on March 13, 2001 and, as now implemented and administered by the Forest Service, is applicable to all NFS lands.

- Lake Elsinore and San Jacinto Watershed Authority, Negative Declaration - Lake Elsinore Striped Bass Release Project, March 18, 2004.

The proposed Lake Elsinore Striped Bass Release Project involved the stocking of 5,000 yearlings and 2-year old striped bass or hybrids into Lake Elsinore starting in the winter and spring of 2004. The project was undertaken to evaluate the effectiveness of a fish stocking program to control threadfin shad and carp populations in the lake.

- United States Army Corps of Engineers, Final Environmental Impact Statement – San Juan Creek and Western San Mateo Creek Watershed Special Area Management Plan, CEQ 50490, January 2007.

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The federal EIS examined the “San Juan Creek Watershed/San Mateo Creek Watershed Special Area Management Plan,” a component of a “coordinated planning process” for southern Orange County. The other two elements are the “Southern Subregional Natural Community Conservation Plan/Master Streambed Alteration Agreement/Habitat Conservation Plan” (NCCP/MsAA/HCP) and the “County of Orange Ranch Plan General Plan Amendment/Zone Change” (GPA/ZC) for the Rancho Mission Viejo (RMV) Planning Area project.

A special area management plan (SAMP) is a voluntary watershed-level planning and permitting process involving local landowners and public agencies that seek permit coverage under Section 404 of the Federal Clean Water Act for future actions affecting jurisdictional waters of the United States. The SAMP process includes the use and development of landscape-level functional assessments, watershed-scale indices of the ecological integrity of riparian resources, alternatives analysis, and watershed restoration plans. The SAMP process is separated into three phases: (1) aquatic resources are identified and assessing; (2) an environmental impact statement is prepared, including a Section 404(b)(1) alternative analysis; and (3) the environmental document is finalized, the watershed restoration plan is completed, and a programmatic Section 404 permit is issued.³

Without exclusion of other documents comprising the project's environmental review record, other documents expressly included herein are the “Planning Level Wetland Delineation and Geospatial Characterization of San Juan and Portions of San Mateo Creek Watersheds, Orange County, California,”⁴ “Riparian Ecosystem Restoration Plan for San Juan and Western San Mateo Creek Watersheds: General Design Criteria and Site Selection,”⁵ and “Assessment of Riparian Ecosystem Integrity in the San Juan/San Mateo Watersheds, Orange County, California.”⁶

The “San Juan Creek Watershed/San Mateo Creek Watershed Special Area Management Plan” contains detailed information concerning existing and future conditions within the San Juan Creek and San Mateo Creek watersheds. Among other topics the final EIS examined watershed conditions, riparian and wetland habitats, biological resources, wildlife habitat linkages and corridors, land use, air quality, noise, visual resources, cultural resources, population, housing, employment, and recreation.

- Elsinore Valley Municipal Water District (MWH), Initial Environmental Study – Mitigated Negative Declaration for the Recycled Water Use Ordinance, August 2006.

The EVMWD prepared CEQA documentation for the adoption and implementation of a recycled water ordinance. The ordinance subsequently requires adoption of one or more recycled water master plans identifying recycled water plants and facilities,

^{3/} United States Army Corps of Engineers, Western Riverside County Special Area Management Plan, April 13, 2004.

^{4/} Lichvar, Robert, Gustina, Greg, MacDonald, Dan, and Ericsson, Mike, Planning Level Wetland Delineation and Geospatial Characterization of San Juan and Portions of San Mateo Creek Watersheds, Orange County, California, April 19, 2004.

^{5/} Smith, Daniel, R. and Klimas Charles, Riparian Ecosystem Restoration Plan for San Juan and Western San Mateo Creek Watersheds: General Design Criteria and Site Selection, United States Army Corps of Engineers, 2003.

^{6/} Smith, Daniel R., Assessment of Riparian Ecosystem Integrity in the San Juan/San Mateo Watersheds, Orange County, California, United States Army Corps of Engineers, October 2000.

potential recycled water use areas, and mandate recycled water use. The document includes information concerning the project's existing environmental setting and discusses the use and impacts associated with the use of recycled water.

As specified in the recycled water use ordinance: "It is the District policy that recycled water determined to be available pursuant to Water Code Section 13550 shall be used within the jurisdiction whenever and wherever there is not an alternative higher or better use for the recycled water; its use is economically justified; its use is financially and technically feasible; and its use is consistent with legal requirements, preservation of public health, the safety and welfare of the public, and protection of the environment."

- City of Lake Elsinore (NBCE, Inc.), Grand Avenue/Ortega Highway (State Route 74) Traffic Signal Improvement Project, Negative Declaration and Programmatic Categorical Exclusion, April 28, 2006.

This joint NEPA/CEQA review examined the impacts associated with the installation of a traffic signal at the Grand Avenue and Ortega Highway (SR-74) intersection. No significant impacts and no mitigation measures were identified. As proposed, all associated street improvements will be confined to the existing rights-of-way. Based on this environmental assessment, it can be reasonably assumed that the traffic signal will be installed and operational prior to the commencement of the project's construction.

- California Department of Transportation, Negative Declaration/Finding of No Significant Impact, State Route 74 Safety Improvement Project from San Juan Canyon Bridge to Orange/Riverside County Line, Orange County, California, October 13, 2005.

On October 13, 2005, Caltrans adopted joint NEPA/CEQA documentation for the State Route 74 (SR-74 or Ortega Highway) safety improvement project, including upgrades and lane modifications for a 3.3-mile section of Ortega Highway, from the San Juan Creek Bridge in Orange County to the Riverside County line. Caltran's documentation provided information concerning the existing environmental setting, regional traffic patterns, including traffic volumes along Ortega Highway, and potential impacts associated with street and lane closures during construction activities affecting that major arterial highway. The USFWS' "biological opinion," dated September 30, 2005, is included therein.

- South Coast Air Quality Management District, Final Mitigated Negative Declaration for: Southern California Edison Etiwanda Peaker Project in Rancho Cucamonga, SCH No. 2006121109, March 2007.

This CEQA document examined the impacts associated with SCE's construction and operation of an LM6000 combustion turbine electric generation peaking unit, along with an emergency black-start generator, at the Etiwanda Generating Station and Etiwanda substation (8996 Etiwanda Avenue/12206 6th Street, Rancho Cucamonga). Based on the findings of SCE's system impact and facilities studies, upgrades to the Etiwanda substation may be needed to accommodate the additional power flows associated with the proposed project.

- California Public Utilities Commission (Aspen Environmental Group), Final Environmental Impact Report – San Onofre Nuclear Generating Station Steam Generator Replacement Project, SCH No. 2004101008, September 2005.

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On February 27, 2004, SCE filed an application (A.04-02-026) with the CPUC for the San Onofre Nuclear Generating Station (SONGS) steam generator replacement project which including the replacement of the existing steam generators at SONGS Units 2 and 3, establishing ratemaking for recovery of project costs, and addressing other related steam generator issues. The CEQA document contained detailed information concerning the existing environmental setting in proximity to SONGS, existing SCE and SDG&E transmission lines serving SONGS, and the transport of heavy equipment to and from the Camp Pendleton Mar Boat Basin. In addition, the document analyzed equipment transport, replacement generation, replacement transmission, and alternative energy technologies, and incorporated SCE's "Preliminary Environmental Assessment" (PEA) which, itself, provided additional information concerning the existing environmental setting. The Applicant's proposed project could impact the transmission systems discussed, described, and analyzed in the CPUC's EIR, and could involve the transport of heavy equipment to and through Camp Pendleton.

- San Diego Association of Governments, Final Program Environmental Impact Report for the Regional Comprehensive Plan, SCH No. 2004011141, July 2004.

This program-level EIR examined the impacts associated with the adoption and implementation of the San Diego Association of Governments' (SANDAG) "Regional Comprehensive Plan" (RCP).⁷ The RCP is SANDAG's long-range planning document addressing the San Diego region's housing, economic, transportation, environmental, and overall quality of life needs. This program EIR provided extensive information concerning the existing setting within the San Diego region and the impacts associated with regional growth between 2004 and 2030.

As indicated therein, over the next 30 years, it is estimated that more than one million people will be added to the San Diego region as a result of natural growth and immigration. Under the RCP, population and housing growth would increase at a rate greater than under pre-existing policies. Specifically, the EIR assumes that the "percentage change in housing and population between 2004 and 2030 is expected to be 4 percent higher with implementation of the RCP." Under the RCP, between 2004 and 2030, the population in the San Diego region will increase from 2,972,988 to 3,985,725 individuals (an increase of 1,012,737 people) and the number of housing units will increase from 1,099,071 to 1,400,136 dwelling units (an increase of 301,065 units). With regards to energy, the EIR acknowledges that such "a large population increase for an already large population center will undoubtedly substantially increase the demand for energy within the region."

- County of Orange, Final Program Environmental Impact Report No. 589, The Ranch Plan, SCH No. 2003021141, certified November 8, 2004.

This final program EIR examined the impacts of a long-term land-use management and open space conservation program for a 22,815-acre property (Rancho Mission Viejo) located in southern Orange County. Development activities assessed therein totaled 7,683 acres and included 14,000 dwelling units, 3.5-million square feet of "urban activity center" uses, 1.2-million square feet of "business park" use, and 0.5-million square feet of "neighborhood center" use. Approximately 15,132 acres would be retained as open

⁷/ San Diego Association of Governments, The Regional Comprehensive Plan: Establishing a Baseline for Monitoring Performance, revised November 2006.

space. The project site is located along the potential inundation area for the proposed upper reservoir. Those inundations are explicitly referenced therein. The EIR provides relevant information concerning the existing environmental setting and conditions projected in that project's horizon year (2025).

- United States Department of Transportation, Federal Highway Administration, California Department of Transportation, and Foothill/Eastern Transportation Corridor Agencies, Final Environmental Impact Statement/Supplemental Environmental Impact Report – South Orange County Transportation Infrastructure Improvement Project (SOCTIIP), FHWA-CA-EIS-04-01, SCH No. 2001061046, December 2005.

This joint NEPA/CEQA document examined the impacts associated with the construction and operation of transportation improvements in southern Orange County and northern San Diego County, including the extension of existing State Route 241 (SR-241) from Oso Parkway south to the Interstate 5 (I-5) Freeway. The proposed toll road alignment traverses San Onofre State Park within located within Camp Pendleton and is located in close proximity to and west of SDG&E's existing Talega substation. The EIS/EIR presents environmental information relevant to an understanding of the project's environmental setting.⁸

- California Public Utilities Commission and the United States Department of Agriculture, Forest Service, Final Environmental Impact Report/Final Environmental Impact Statement, Antelope-Pardee 500-kV Transmission Project, January 2007.

The combined NEPA/CEQA document examined the impacts associated with the construction, operation, and maintenance of a new 25.6-mile 500-kV transmission line between the SCE's existing Antelope and Pardee substations in northern Los Angeles County. Approximately 12.6 miles of the proposed transmission project is located on NFS lands within the Angeles National Forest. In addition, the project included removal of 17.5 miles of existing 66-kV line, a 33-acre expansion of the Antelope substation, 220-kV substation improvements, and two telecommunication paths. The primary environmental resource issues analyzed included forest management activities (including wildland fire fighting), biological resources, land use, recreation, visual resources, and cultural resources. The project necessitated a forest land management plan amendment modifying the scenic integrity objectives along the transmission route. This 500-kV transmission project bears many similarities with the TE/VS Interconnect project, including its location on NFS lands, and provides detailed information relevant to an understanding of the proposed project.

On January 30, 2007, the CPUC issued a CPCN for the Antelope-Pardee transmission project.⁹ That CPUC ruling contained detailed findings regarding the need for that

^{8/} The document notes: "The SDG&E Talega substation easement is within the disturbance limits of the Preferred Alternative. This alignment would require the temporary use of 3.8 ha (9.4 ac) and permanent acquisition of 0.7 ha (1.6 ac) of the Talega substation easement. The Talega substation itself will not be directly impacted but the access road may be slightly realigned as part of the project. The Talega substation will remain operational during and after project construction and no service interruptions are planned or anticipated to occur" (SOCTIIP EIS/SEIR, p. 4.24-37).

^{9/} California Public Utilities Commission, Proposed Decision of the ALJ Division, In the Matter of the Application of Southern California Edison Company (333-E) for a Certificate of Public Convenience and Necessity Concerning the Antelope-Pardee Project as Required by Decision 04-06-010 and as Modified by Subsequent Assigned Commission Ruling, Application 04-12-007, January 30, 2007.

project, alternatives considered by the CPUC, and the potential environmental impacts resulting from that project's development and operation.

- United States Fish and Wildlife Service and San Diego Association of Governments (P&D Environmental), Final Environmental Impact Statement/Environmental Impact Report for Threatened and Endangered Species Due to the Urban Growth within the Multiple Habitat Conservation Program Planning Area, SCH No. 93121073, March 2003.

This combined NEPA/CEQA document evaluated the potential environmental effects associated with the adoption of the Multiple Habitat Conservation Program (MHCP) and five subarea plans for the Cities of Carlsbad, Encinitas, Escondido, Oceanside, and San Marcos and the issuance of an incidental take permit for covered species. Since a portion of the existing southern 230-kV transmission alignment and Escondido substation are located within the area examined, the document provides relevant information concerning the existing environmental setting. The "Final MHCP Plan" (Multiple Habitat Conservation Program, March 2003) is a comprehensive multiple-jurisdictional planning program designed to create, manage, and monitor an ecosystem preserve in northwestern San Diego County.

10.2 FERC Licensing Documents Incorporated by Reference

The following additional environmental and scoping documents, inclusive of the administrative records associated with those documents, are incorporated herein by reference and, by this reference, made a part hereof. The incorporated material is inclusive of all relevant documents associated with each referenced publication, including accompanying technical studies, exhibits, appendices, attachments, and associated website entries.

- Elsinore Valley Municipal Water District and The Nevada Hydro Company, Inc., Initial Stage Consultation Document – Lake Elsinore Advanced Pumped Storage Project, Federal Energy Regulatory Commission, Project Number 11858, April 2001.

Under FERC regulations, FERC has established a consultation process whereby all interested parties (stakeholders) are provided with both substantial information concerning a proposed hydropower project and an opportunity to solicit additional information, express concerns, provide comments, and attempt to reach agreement regarding any appropriate measures required to mitigate the potential impacts attributable to the proposed federal action. The process culminates with FERC's review of a final application, with the preparation of NEPA documents, and with FERC's consideration of statements of support and the protests of intervenors.

The "Initial Stage Consultation Document - Lake Elsinore Advanced Pumped Storage Project, FERC Project No. 11858" (ISCD) provides both general and detailed information to initiate consultation concerning an application under the FPA for a federal hydropower license and associated entitlements, as required from FERC and from other federal, State, and local agencies, as required to permit, construct, and operate an advanced pumped storage hydroelectric generation project, including all transmission and other facilities appurtenant thereto or associated therewith. The ISCD included information concerning applicable or potentially applicable statutes, regulations, ordinances rules, policies, plans, and standards, as well as information concerning applicable Forest Service Handbooks (FSHs) and Forest Service Manuals (FSMs), applicable or potentially applicable to the proposed project.

- Federal Energy Regulatory Commission and United States Department of Agriculture-United States Forest Service, Scoping of Environmental and Social Issues for a New License for the Lake Elsinore Advanced Pumped Storage Project, FERC No. P-11858-002, California, August 5, 2004.

In August 2004, FERC and the USFS published a detailed scoping document (SD1) and subsequently conducted a series of local meetings to convey information about the proposed federal action and to solicit public and agency comments for consideration under NEPA. SD1 was used to: (1) invite participation of federal, State, and local agencies, Native American tribes, and individuals to identify significant environmental issues related to the proposed action; (2) determine the depth of analysis and significance of issues to be addressed in the EIS; (3) identify how the project would contribute to cumulative impacts; (4) identify reasonable alternatives to the project; (5) eliminate from detailed study issues and resources that do not require detailed analysis; (6) coordinate compliance with NEPA, CEQA, and other applicable laws and regulations; and (7) coordinate among agencies that may rely upon the NEPA and CEQA documents for subsequent project approvals. In SD1, FERC and the USFS disclosed their preliminary views regarding the scope of environmental issues associated with the proposed federal action.

- Federal Energy Regulatory Commission and United States Department of Agriculture-United States Forest Service, Scoping of Environmental and Social Issues for a New License for the Lake Elsinore Advanced Pumped Storage Project, FERC No. P-11858-002, California, January 25, 2005.

Following the release of SD1 and receipt of written and oral comments thereupon, FERC and the USFS revised the first scoping document and published and disseminated a revised scoping document (SD2). SD2 included FERC's and the USFS' written response to the key issues that were raised following the release of SD1. With the release of SD2, FERC determined that the scoping process was "completed to support preparation of the EIS."

- Elsinore Valley Municipal Water District and The Nevada Hydro Company, Inc., Final Application for License of Major Unconstructed Project, Lake Elsinore Advanced Pumped Storage Project, Federal Energy Regulatory Commission, Project Number 11858, February 2004

The Applicant's "Final License Application for a Major Unconstructed Project - Lake Elsinore Advanced Pumped Storage Project, FERC Project No. 11858" (FLA), as accepted by FERC on January 25, 2005, is comprised of the elements required by FERC (18 CFR 4.32[a], 4.34[i], 4.38[f], and 4.41[a]-[j]). The FLA included a detailed description of the LEAPS project and its associated transmission lines (Exhibit A), a description of the project's operation and resource utilization (Exhibit B), construction scheduled (Exhibit C), statement of costs and financing (Exhibit D), design drawings (Exhibit F), and maps (Exhibit G).

Focusing on environmental issues, "Exhibit E" (Environmental Report) of the FLA included extensive information concerning the project's existing environmental and regulatory setting, potential impacts associated with the project's implementation, and measures proposed by the Applicant's to reduce or eliminate those effects. Exhibit E

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contained separate “reports” examining water use and quality; fish, wildlife, and botanical resources; historic and archaeological resources; socio-economic impacts; geological and soils resources; recreational resources; aesthetic resources; and land use. Exhibit E contained an examining of other environmental considerations (including air quality, traffic and circulation, noise, public health and safety, growth inducement, and environmental justice). Exhibit E examined a variety of alternatives to the project and to the siting, configuration, and design of its individual component parts. Those alternatives included different powerhouse sites (Ortega Oaks, Santa Rosa, and Evergreen), different upper reservoir sites (Morrell Canyon and Decker Canyon), and different transmission alignments.

- Elsinore Valley Municipal Water District and The Nevada Hydro Company, Inc., Final Application for License of Major Unconstructed Project: Response to FERC Deficiency Letter for the Lake Elsinore Advanced Pumped Storage Project, Federal Energy Regulatory Commission, Project Number 11858, Volumes I-II, November 2004; Elsinore Valley Municipal Water District and The Nevada Hydro Company, Inc., Final Application for License of Major Unconstructed Project: Response to FERC Deficiency Letter for the Lake Elsinore Advanced Pumped Storage Project, Federal Energy Regulatory Commission, Project Number 11858, Volume III, February 2005.

These documents supplement the Applicant’s federal hydropower application and contained the Applicant’s technical responses, including additional technical studies and information from other sources, submitted in response to those identified deficiencies, requests for clarifications, and additional information requests that were contained in correspondence from FERC, dated August 13, 2004.

- Federal Energy Regulatory Commission, Advisory Council on Historic Preservation, California State Historic Preservation Officer, Programmatic Agreement among the Federal Energy Regulatory Commission, the Advisory Council on Historic Preservation and the California State Historic Preservation Officer for Managing Historic Properties that may be Affected by Issuing a License to the Elsinore Valley Municipal Water District and The Nevada Hydro Company for the Operation of the Lake Elsinore Advanced Pumped Storage Project in Riverside County, California (FERC No. 11858-02), 2007.

The Programmatic Agreement, as jointly executed by FERC, the Advisory Council on Historic Preservation, and the State Historic Preservation Officer (SHPO), document project-specific consultation with Native American tribal governances and evidence the dissemination of the “Lake Elsinore Advanced Pumped Storage Project (LEAPS) & Talega-Escondido/Valley-Serrano 500kV Interconnect Project – Historic Properties Management Plan, FERC No. 11858-002-California” (Chambers Group, Inc. February 2005).

Although not elevating to the status of NEPA-mandated or CEQA-mandated documents, each of the above referenced documents contain extensive relevant information concerning the proposed project, the existing environmental and regulatory setting, and the potential impacts that may occur should the project be implemented. Each of these documents was broadly disseminated by the Applicant and/or by FERC during the hydropower licensing process, was available for inspection at the EVMWD’s office, and was posted by FERC on FERC’s e-Library. Additionally, the material contained in each of these referenced documents was considered by FERC and provide, in part, the supporting basis for the information presented in FERC’s January 2007 FEIS.

10.3 Additional Environmental and Scoping Documents Incorporated by Reference

In addition to those documents cited above, there are a number of other documents, inclusive of the administrative records associated with those documents, that provide information relevant or potentially relevant to the proposed project, to the project's environmental and regulatory setting, and to the actions or contemplated actions of other public agencies that either directly or tangentially relate to the proposed project. The incorporated material is inclusive of all relevant documents associated with each referenced publication, including accompanying technical studies, exhibits, appendices, attachments, and associated website entries.

- California Independent System Operator, Public Comments from California ISO Open House in San Diego, May 19-20, 2006.

The CAISO conducted an "open house" for the purpose of soliciting, collecting, and posting comments on "three southern California transmission projects," including the LEAPS and TE/VS Interconnect projects. The CAISO presented a summary of the comments received during that CAISO-noted event.

- Elsinore Valley Municipal Water District (MWH, Inc.), Final Program Environmental Impact Report – Water Distribution System Master Plan and Wastewater Master Plan, SCH No. 2003071058, July 27, 2006.

The EVMWD's final program EIR addressed the "Water Distribution System Master Plan" (DSMP) and "Wastewater Master Plan" (WWMP) and the various water and wastewater infrastructure improvements needed to meet the needs of the EVMWD service area through 2020. The proposed water distribution system improvements consist of new, expanded, and replaced storage reservoirs, pumping stations, pipelines, pressure regulating valves, and groundwater wells. The proposed wastewater system improvements include new, expanded and replaced gravity sewers, force mains, lift stations, and new and expanded wastewater treatment plants.

This EIR contained extensive information concerning the project's existing environmental setting, the existing and proposed water and wastewater systems and facilities within the general project area, the projected areawide growth (including a list of infrastructure and other improvement projects contributing to or being undertaken in response to that growth), water and wastewater projections, impacts attributable to that growth, and the environmental effects associated with the construction and operation of the identified improvements. The LEAPS project was identified and evaluated in the program EIR under the document's cumulative impact analysis.

- United States Army Corps of Engineers, Western Riverside County Special Area Management Plan, April 13, 2004.

The United States Corps of Engineers, Los Angeles District (ACOE) is conducting a comprehensive aquatic resource plan to achieve a balance between aquatic resource protection and reasonable economic development in western Riverside County, including the San Jacinto and the Upper Santa Margarita watersheds. The two main goals of the SAMP process include the establishment of a watershed-wide aquatic resource reserve program and the minimization of individual and cumulative impacts of future projects in these watersheds. At the end of the SAMP process, there will be areas

that will be protected and preserved and areas where future activities would be allowed, provided that they meet specific criteria developed for protection of the watersheds.

The SAMP consists of three phases. Phase I includes identification and characterization of aquatic resources in the western Riverside County. Phase II involves preparation of an EIS, including the Section 404(b)(1) alternatives analysis. Phase III involves finalizing the environmental documents, completion of an aquatic resource restoration plan, and finally issuance of programmatic Section 404 permits. As of this time, only the Phase I analysis (planning-level delineation, landscape-level functional assessment, hydrological and water quality studies, habitat studies) has been completed.

10.4 Interconnect System Impact Studies Incorporated by Reference

The project's interconnection system impact studies (SISs) evaluated, on a comprehensive basis, the impacts of the proposed interconnection on the reliability of the transmission providers' transmission system and affected systems, using stability analyses, power flows, and short-circuit analyses. In accordance with the CAISO tariff, SCE and SDG&E prepared separate SISs for the LEAPS project. Those studies, inclusive of the administrative records associated with those studies, are incorporated herein by reference and, by this reference, made a part hereof.

- Southern California Edison Company, Interconnection System Impacts Study – Lake Elsinore Advanced Pumped Storage Project, California Independent System Operator, February 14, 2006.

In response to TNHC's submittal of a generator interconnection application to the CAISO, SCE, operating under the direction of the CAISO and in accordance with Section 5.7.4.2.1 (System Impact Study Procedures) of the CAISO tariff, prepared a system impact study (SCE-SIS) addressing the proposed project. The SCE-SIS, conducted in accordance with those applicable CAISO conforming tariffs in existence prior to the effective queue date (June 21, 2005), represented a preliminary technical analysis conducted to determine whether the LEAPS project could be accommodated absent upgrades to SCE's electrical systems, and if not, to determine, on a preliminary basis, the nature of the system upgrades and additions needed to accommodate the proposed generation project.

The SCE-SIS determined that, under normal system conditions with all facilities in service, the LEAPS project might cause overload on the proposed Serrano-Lake section of the Serrano-Valley 500-kV transmission line. The system model included seven proposed generation projects in the SCE area that were ahead of the LEAPS project in the generation interconnection queue, with a total generation of 3,278 MW. Overload on this line was determined to be primarily attributable to another generation project ahead of LEAPS in the generation interconnection queue.

If this project does not materialize, the line most likely would not overload either with or without the LEAPS project. The SCE-SIS further concluded that, under single contingency conditions, the addition of the LEAPS project would cause overload on two of SCE's 230-kV double circuit transmission lines (Etiwanda-Rancho Vista Nos. 1 and 2 and Victor-Lugo Nos. 1 and 2). In addition, the LEAPS project was found to aggravate pre-project overloads on three 230-kV transmission lines (Etiwanda – San Bernardino,

Etiwanda – Vista, and San Bernardino – Vista) and on the proposed Serrano-Lake section of the Serrano-Valley 500-kV transmission line (pre-project Serrano-Valley line).

Under multiple contingencies (Category C), the LEAPS project might cause overloads on the Victor-Lugo 230-kV lines (Nos. 1 and 2) and on the Pendleton 230-kV phase shifter. The SCE-SIS also indicated that the LEAPS project might aggravate pre-project overloads on the Etiwanda-Vista, Mira Loma-Vista, Vista-San Bernardino, and Etiwanda-San Bernardino 230-kV lines and on the proposed Serrano-Lake section of the Serrano-Valley 500-kV line.

The short-circuit studies indicated that the LEAPS project increased short-circuit duties by an amount equal or greater than 0.1 kiloamps (kA) at 13 locations where duty is in excess of 60 percent of the minimum breaker nameplate rating. The study concluded that due to increases in the short-circuit duties, the circuit breaker evaluation would be needed at 36 substations on the bulk SCE transmission system and at 22 substations on the Valley 115-kV system. SCE also identified cost estimates for the looping of the Serrano-Valley 500-kV line, construction of a new substation, and the upgrades of the transmission lines (Etiwanda–Rancho Vista Nos. 1 and 2 and Victor Lugo Nos. 1 and 2 230-kV lines) and some circuit breakers.

- San Diego Gas & Electric Company, Lake Elsinore Advanced Pumped Storage Project, System Impact Study, Final Draft, March 21, 2006.

In response to TNHC's submittal of a generator interconnection application to the CAISO, SDG&E, operating under the direction of the CAISO and in accordance with Section 5.7.4.2.1 (System Impact Study Procedures) of the CAISO tariff, prepared a system impact study (SDG&E-SIS) addressing the proposed project. The SDG&E-SIS comprised a preliminary technical analysis undertaken to determine whether the LEAPS project could be accommodated absent upgrades to SDG&E electrical systems, and if not, to determine, on a preliminary basis, the nature of the system upgrades and additions needed to accommodate the proposed generation project.

Based on its stated assumptions, the SDG&E-SIS concluded that, under normal system conditions with all facilities in service, the LEAPS project may or could predicate the need for additional upgrades in the SDG&E transmission system. As indicated therein, planning criteria violations on SDG&E facilities, caused solely by the addition of the LEAPS project, included: (1) Sycamore-Elliott 69-kV line; (2) Talega-Pendleton-Escondido 230-kV line; and (3) six 69-kV breakers at San Luis Rey substation (short-circuit duty). The study further found that the LEAPS project's 230-kV phase shifting transformers at the proposed Pendleton substation also experienced overloads.

In response to the CAISO's independent review of the SISs, the CAISO granted "preliminary interconnect approval to the LEAPS project," subject to certain specified conditions, "approving the interconnection of the project" and allowing "the project to connect to the CAISO controlled grid."^{10,11} Those conditions included:

¹⁰/ Shirmohammadi, Darish, California Independent System Operator, Letter: Lake Elsinore Advanced Pumped Storage Project, Robert J. Lugo, Southern California Edison, May 23, 2006.

¹¹/ Shirmohammadi, Darish, California Independent System Operator, Letter: Lake Elsinore Advanced Pumped Storage Project, Rodney Winter, San Diego Gas & Electric, May 23, 2006.

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- (1) Both power flow and short-circuit analysis need to be repeated in the facilities studies. The main reason for it is significant uncertainty due to a large number of generation projects proposed to connect to the SCE transmission system. These generation projects are ahead of LEAPS project in the generation interconnection queue. Many of the observed overloads were caused by new generation projects other than the LEAPS project, but the LEAPS project exacerbated these overloads. If any of these generation projects get cancelled, the study results would be different. If any changes in the generation interconnection queue occur by the time of the facilities study, these changes should be modeled.
- (2) The facilities study should identify violations caused by the LEAPS project and caused by other generation projects. If a violation was caused by a new generation project other than the LEAPS project and the LEAPS project aggravated this violation, the study should determine whether the system upgrades proposed to mitigate violations caused by other projects are sufficient to accommodate LEAPS. If these upgrades are not sufficient, other upgrades should be identified, for which the LEAPS developer should be partly responsible.
- (3) Before the facilities studies are performed, an agreement on the generation dispatch modeling in the studies should be reached. The transmission overloads identified in the studies significantly depend on how LEAPS generation or pumping load is compensated. The SIS modeled different generation dispatch in the cases with and without the LEAPS project. If the dispatch of the SCE generation were the same in both cases, and the increase in generation to cover LEAPS pump load or reduction in other generation to compensate for LEAPS were coming from more remote units, the overloads identified in the studies, as caused by the LEAPS project, would be also observed without LEAPS.
- (4) The facilities study should also include dynamic stability analysis that was not performed in the SIS.
- (5) The facilities study should identify overstressed circuit breakers due to the LEAPS project that are needed to be replaced or upgraded. (6) The facilities study should consider the one-time change proposed by the generation developer. This proposal includes a larger phase-shifting transformer, stringing the Talega-Escondido 230-kV line as a double circuit for its full length, and higher flows on the transmission line (up to 1,000 MW).¹²

10.5 Interconnection Facilities Studies Incorporated by Reference

The LEAPS project's interconnection facilities studies (IFSs) serve to identify the list of facilities (including transmission providers interconnection facilities and network upgrades as identified in SIS), the cost of those facilities,¹³ and the time required to interconnect the generating facility

^{12/} *Ibid.*, pp. 5-6.

^{13/} A Utility (defined as an electrical transmission or distribution system owner or operator that is subject to the regulatory authority of FERC as well as the CPUC or other appropriate State agency) is required pursuant to FERC rules and policy to accommodate any request from a Generator (defined as an owner or operator of an electric generation facility) to interconnect the Generator to the Utility's Transmission System (defined as the facilities owned, controlled, or operated by a Utility that are used to provide electric transmission service, including any additions, modifications, or upgrades made to such facilities). In general, for a Generator to begin providing electricity from its facility to its customers over a Utility's Transmission System, certain Network Upgrades must be made to the Transmission System to accommodate the addition of the facility's electricity. Under FERC policy, costs of the Network Upgrades (defined as the additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Generator interconnects to the Transmission System to accommodate the interconnection of the Generator to the Transmission System) generally must be paid in advance to the Utility in the form of an Up-front Payment by the interconnecting Generator. To comply with FERC policy, the Interconnection Agreement (defined as the agreement entered into between a Utility and a Generator for the purpose of

with each transmission provider's transmission system.¹⁴ In accordance with the CAISO tariff, SCE and SDG&E prepared separate IFSs for the LEAPS project.¹⁵ Those studies, inclusive of the administrative records associated with those studies, are incorporated by reference herein and, by this reference, made a part hereof.

- Southern California Edison Company, Nevada Hydro Company, Inc. and Elsinore Valley Municipal Water District Lake Elsinore Advanced Pumped Storage Project, Southern California Edison Company Facilities Study, November 30, 2006.

In accordance with Section 5.7.4.2.2 (Facility Study Procedures) of the CAISO tariff, SCE conducted an interconnect facilities study (SCE-IFS). The SCE-IFS built upon the information presented in the SCE-SIS, provided a description, cost estimate (maximum possible funding exposure), and schedule for required facilities within the SCE electric system required to interconnect the LEAPS project to the CAISO-controlled grid, and addressed short circuit, instability, and power flow issues identified in the SCE-SIS. As indicated therein, the LEAPS project will be connected to the SCE system via a new Applicant-owned 500-kV interconnection facility (identified therein as the Lake substation but, for consistency, identified as the Northern [Lake] substation herein) to be located adjacent to or in close proximity to the existing 500-kV Valley-Serrano transmission line right-of-way (ROW). The new Northern (Lake) substation will be located approximately 32 miles from SCE's existing Serrano substation and approximately 14 miles from SCE's existing Valley substation. The new substation will loop into the existing Serrano-Valley 500-kV transmission line and form the Northern-Serrano (Lake-Serrano) and Northern-Valley (Lake-Valley) 500-kV transmission lines. A new 500-kV generation interconnection will terminate at the new Northern (Lake) substation.¹⁶

The SCE-IFS, based on its stated assumptions and its accompanying "Lake Elsinore Advanced Pumped Storage Project Technical Assessment Study,"¹⁷ concluded that the present SCE transmission system is not adequate to support the proposed LEAPS project's generation. Base-case overloads were identified on several SCE transmission lines. Such overloads are, however, due to load increases and their mitigation addressed as part of a subsequent CAISO-controlled transmission expansion study. The new generation would trigger one single-contingency overload (Etiwanda-Vista 220-

interconnecting the Generator with the Utility's Transmission System) between the Utility and the Generator typically requires that the Generator's up-front payment to the Utility be reimbursed by the Utility. The FERC standard Interconnection Agreement, (FERC Order No. 2003-B issued December 20, 2004 [70 FR 265]), requires that the Utility reimburse the Generator's up-front payment in cash, plus make additional payments to the Generator that are designated as interest by FERC Order No. 2003-B (Source: United States Department of the Treasury, Internal Revenue Service, Internal Revenue Bulletin: 2005-28, Rev. Proc. 2005-35, July 11, 2005).

^{14/} The project's interconnection facilities studies were initiated prior to the Commission's November 17, 2006 order defined the LEAPS project as "advanced transmission technology." As a result of that action, the LEAPS project may be categorized as a network upgrade. The Commission order and its application by the CAISO may predicate subsequent modifications to SCE and SDG&E interconnection facility studies.

^{15/} With regards to the TE/VS Interconnect project, the CAISO has not separately examined a "wires only proposal" (Source: California Independent System Operator, Initial Testimony of the California Independent System Operator Corporation, Part 1, In the Matter of the Application of San Diego Gas & Electric Company [U-902] for a Certificate of Public Convenience and Necessity for the Sunrise Powerlink Transmission Project, Application No. 06-08-010 [Filed August 4, 2006], January 26, 2007, p. 9).

^{16/} Reference to a gen-tie in the SCE-IFS may not be consistent with the Commission's November 17, 2006 determination that the LEAPS project is an "advanced transmission technology." That determination likely modifies the classification of the point of juncture to a network upgrade.

^{17/} Kondragunta Mohan, Lake Elsinore Advanced Pumped Storage Project Technical Assessment Study, Southern California Edison Company, November 6, 2006.

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kV transmission line) and aggregate six pre-existing single-contingency and double-contingencies caused by early interconnections placed ahead of the LEAPS project in the present Application Queue.¹⁸

The analysis further identified four 500-kV, 21 220-kV, and 21 115-kV locations where the LEAPS project caused an increase on the three-phase short-circuit duties of 0.1 kA or more and indicated that all circuit breakers at those locations should be evaluated. Each of the overloads, whether predicated by the proposed project or as a result of those additional facilities ahead of the proposed project in the Application Queue, and SCE's proposed solutions are identified below:

- Etiwanda-San Bernardino 220-kV transmission line (T/L). Eliminate the existing line-to-ground clearance restrictions to restore the line conductor rating to N=2480, N-1=2850, and N-2=3350A and replace two 1200A disconnect switches at Etiwanda with 3000A rated to support 60% of highest contingency load of 3093A or 1855A.
- San Bernardino-Vista 220-kV T/L. Upgrade the line by replacing 2-1033KCMIL ACSR conductors with new 2-1590KCMIL ACSR rated N=3230, N-1=3710, and N-2=4360A and replace four 2000A disconnect switches at each San Bernardino and Vista (total of 8) with 3000A rated to support 60% of highest contingency load of 3745A or 2250A.
- Etiwanda-Vista 220-kV T/L. Replace 2000A wave trap at Etiwanda with 3000A rated and N-2 rating of 3210A to support the highest contingency load of 3071A.
- Lugo-Vincent No. 1 500-kV T/L. Line is adequate (no upgrades required).
- Lugo-Vincent No. 2 500-kV T/L. Line is adequate (no upgrades required).
- Mira Loma-Vista 220-kV T/L. Line is adequate (no upgrades required).

As documented in correspondence, dated March 23, 2007, the "Lake Elsinore Advanced Pump Storage Project (LEAPS) Interconnection Approval – SCE Facility Study" was approved by the CAISO, thus allowing "the project to connect to the CAISO controlled grid and to be eligible to deliver the project's output using available transmission."¹⁹ Based on the results of the facility study (FS) and technical assessment study (TAS), the CAISO granted final interconnection approval to the LEAPS project subject to the following conditions.

- ◇ An operational study will be required one year prior to the interconnection of the project for the following reasons:
 - ◆ The study modeled transmission projects that are not currently in service. As such, it is likely that the scope of these projects may have changed since the study was performed or may change in the future. These projects include West of Devers upgrades, scope of which has changed from the upgrade of four 230 kV transmission lines West of Devers to construction of the second Devers-Valley 500 kV transmission line. Furthermore, the Sunrise Power Link was not modeled in the LEAPS

^{18/} The analysis further determined that the LEAPS project would trigger contingency overloads on the Camp Pendleton 230-kV phase shifter transformer. This transformer is not, however, an SCE facility and was not included in SCE-IFS.

^{19/} Correspondence from Gary DeShazo, Director of Regional Transmission, California Independent System Operator Corporation to Robert J. Lugo, Manager of Grid Interconnection & Contract Development, Southern California Edison, March 23, 2007, p. 3.

studies, but may be constructed prior to LEAPS. On the other hand, the Palo Verde-Devers No. 2 500 kV line was modeled but may not be completed and operational prior to LEAPS. To address these issues, an operational-type study will need to be performed by SCE one year or sooner prior to LEAPS' scheduled operational date to determine mitigation measures, if required, to connect the proposed project to the CAISO grid.

- ◆ Due to a large number of generation projects ahead of LEAPS in the generation interconnect queue that are in the same area, a re-study will be required if any of these projects were to withdraw from the queue. In addition, an operational-type study will model new generation additions with more certainty at the time when LEAPS is scheduled to be operational.
 - ◆ Additional studies to determine the details of the Special Protection System (SPS) that is required to mitigate transient stability concerns under an N-1 contingency of the LEAPS-Lake 500 kV transmission line. The SPS is needed to trip the LEAPS pumps under the contingency to mitigate transient stability concerns.
 - ◆ The transient stability studies will need to be repeated if the customer provides upgrades to the generator's exciters, power system stabilizers or governor models.
- ◇ SCE will need to provide cost estimates for the SPS to trip LEAPS pumps for the LEAPS-Lake 500 KV transmission line outage.
 - ◇ Implementation of the required transmission interconnection facility and upgrades that were identified by SCE to connect LEAPS to the CAISO grid.
 - ◇ Implementation of the required transmission interconnection facility and upgrades that were identified by SDG&E to connect LEAPS to the CAISO grid.
- San Diego Gas & Electric Company, Lake Elsinore Advanced Pumped Storage Project, Interconnection Facilities Study, Draft Report, December 15, 2006.

The study constituted an IFS (SDG&E-IFS) in accordance with the CAISO tariff and is composed of a commercial operating date (COD) study and a future year (FY) study. The COD study examined the effects of the LEAPS project on the bulk power grid at the time of its commercial operating date. The FY study looked at the LEAPS project after all of the preceding generation in the CAISO queue has come online and identified a transmission plan of service, cost estimate, and an analysis of the impact that the LEAPS project may have on the tax-exempt status of interest on local furnished bonds. The SDG&E-IFS incorporated thermal analysis, post-transient voltage analysis, reactive power deficiency analysis, transient stability analysis, short-circuit duty analysis, and local furnished bond analysis. The study concluded that there does not appear to be impairment of the tax-exempt status of the interest on local furnishing bond.

As documented in correspondence, dated March 23, 2007, the "Lake Elsinore Advanced Pump Storage Project Interconnection Approval – SDG&E Facility Study" was approved by the CAISO, thus allowing "the project to connect to the CAISO controlled grid and to

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be eligible to deliver the project's output using available transmission."²⁰ Based on the results of the FS, the CAISO granted final interconnection approval to the LEAPS project subject to the following conditions.

- ◇ Implementation of the required transmission facilities needed for reliability and delivery network upgrades that were identified by SDG&E of the FS report to connect the LEAPS project to the CAISO controlled grid in SDG&E service territory.
- ◇ Implementation of the required interconnection facility and reliability upgrades that were identified by SCE to connect LEAPS to the CAISO grid.
- ◇ An operational study will be required one year prior to the interconnection of the project for the following reasons:
 - ◆ There is uncertainty regarding potential future configurations of the SDG&E transmission system. SDG&E proposed several transmission project that could have considerable impacts on the SDG&E transmission system and thus, on the interconnection study results. These project were not modeled in the FS because they were not yet approved by the CAISO, and some of them were not yet proposed at the time the study was performed. To address these issues, an operational-type study will need to be performed by SDG&E one year or sooner prior to the LEAPS project's scheduled operational date using the latest system configuration at the time to determine mitigation measures, if required, to connect the proposed project to the CAISO grid.
 - ◆ Due to a large number of generation projects ahead of LEAPS in the generation interconnect queue that are in the same area, a re-study will be required if any of these projects were to withdraw from the queue. In addition, an operational-type study will model new generation additions with more certainty at the time when LEAPS is scheduled to be operational. An uncertainty in study assumptions that may have an impact to the FS results is whether the new generation project at Sycamore Canyon substation will develop and whether South Bay Power Re-power project will develop. The SDG&E FS did not dispatch the Sycamore Canyon Power plant and had an assumption that the South Bay plant will retire in 2010 and not be re-powered. The FS also modeled a new power plant project at Encina in 2010 but has since been withdrawn from the CAISO generation interconnection queue.
 - ◆ Additional studies to determine the details of the SPS that will be required to mitigate potential transient stability concerns to the LEAPS pump storage (PS) under an N-1 contingency of the LEAPS-Lake 500 kV transmission line. The SPS is needed to trip the LEAPS pumps under the N-1 contingency to mitigate transient frequency excursions to the PS itself. These studies are to be coordinated with SCE.
 - ◆ The SIS transient stability studies will need to be re-studied if the IC provides updates on the dynamic models for the PS generators, exciters, power system stabilizers or governors.

^{20/} Correspondence from Gary DeShazo, Director of Regional Transmission, California Independent System Operator Corporation to Rodney Winter, Senior Energy Administrator, San Diego Gas & Electric Company, March 30, 2007, pp. 3-4.

- California Independent System Operator Corporation, Draft Standard Large-Generator Interconnection Agreement, Southern California Edison Company, March 1, 2007.

In response to the CAISO's independent review of the SCE-FIS, a draft "standard large-generator interconnection agreement" between the CAISO, SCE, and TNHC (Draft SCE-LGIA) was presented to the Applicant. The Draft SCE-LGIA identified the "interconnection customer's interconnection" and "PTO interconnection" facilities and equipment, located between the generating facility (LEAPS) and the point of change of ownership, including the modification, addition, and upgrades to such facilities and equipment necessary to physically and electrically interconnect the generating facility to the PTO's transmission system.

- California Independent System Operator Corporation, Draft Standard Large-Generator Interconnection Agreement, San Diego Gas & Electric Company, February 23, 2007.

In response to the CAISO's independent review of the SDG&E-FIS, a draft "standard large generator interconnection agreement" between the CAISO, SDG&E, and TNHC (Draft SDG&E-LGIA) was presented to the Applicant. As indicated therein, the proposed Southern (Pendleton or Case Springs) 230-kV air-insulated switchyard (AIS) shall include: (1) connection of the LEAPS project's 230-kV phase shifting transformers to SDG&E's 230-kV switch rack; (2) a land right in recordable form that grants perpetual and assignable rights for the switchyard of a size and configuration and otherwise meeting SDG&E's specifications and requirements; (3) the switchyard shall be graded to SDG&E's specifications; (4) a wall or fence that encloses switchyard land and provides for adequate access and working room; (5) 4-bays of 230-kV breaker and half bus design for interconnection with the LEAPS project (the switch rack will include 4-line terminals with breakers, 4-tie positions with breakers, 2-bank terminals with breakers and 2-bank terminals without breakers); (6) all structures and foundations, busses and equipment within switchyard fence; (7) switchyard grounding-grid; (8) a dedicated control house, substation below grade conduits and cables, protection systems, supervisory control and telecommunications equipment, batteries and low-voltage circuits (all the required protection, metering, telemetering, SCADA and communication equipment and systems); and (9) a portion of the conductors and dead-end insulators from SDG&E's switchyard to the project's transformer dead-end.

The connection from the LEAPS project 230-kV phase shifter transformers into the substation will include: (1) 2-transformer dead end structures; (2) 2-sets of tie down assemblies; (3) 2-230-kV circuit breakers; (4) 2-shared 230kV breakers; (5) 6-230-kV disconnect switches; (6) transformer dead-end strain insulators; (7) transformer lead conductors; (8) lot-bus support structures; (9) equipment and bus jumpers; (10) ground grid interconnection; and (11) control junction box. The 230-kV switchyard facilities will include: (1) eight element air-insulated breaker and half bus design to include 4-line positions, 4-tie positions and 4-bank positions; (2) required bus, line and transformer dead-end structures; (3) lot-bus support structures: (4) 10-230-kV circuit breakers; (5) 22-disconnect switches; (6) 2-potential transformers; (7) 2-station service transformers; (8) 2-metering units; (9) required line synchronizing potential transformers; (10) ground grid; (11) yard wire race ways; (12) yard junction boxes; (13) lighting; and (14) a block control shelter to house the DC-control power, protection relays, communication equipment, supervisory and data acquisition equipment and metering panels. The

SDG&E-LGIA identified the following additional PTO's reliability network upgrades:

- ◇ Loop-in of the existing Talega-Escondido 230-kV line. SDG&E's future Southern (Pendleton or Case Springs) substation will be located near the existing Tower No. 163 (Z322651). The scope of work for the loop-in consists of Tower No. 163 removal, installation of two 230-kV anchor bolted dead-end steel poles and hardware and conductor. Replacement of 69-kV over-stressed breakers at the Escondido and Penasquitos substations. The short-circuit analysis also shows there are ten (10) overstressed breakers that need to be upgraded from 40 kA to 50 kA. Short-circuit constraints require the upgrading of the following breakers at the Penasquitos substation: PQ 665, 666, 667, and 70. Short-circuit constraints require the upgrading of the following breakers at the Escondido substation: ES 50, 684, 688, 6908, and 696.
- ◇ Interconnection customer's delivery network upgrades. The thermal analysis performed in the IFS indicates there are two SDG&E transmission line overloads caused solely by addition of the LEAPS project that require mitigation: (1) Talega-Southern (Talega-Pendleton or Talega-Case Springs); and (2) Southern-Escondido (Pendleton-Escondido or Case Springs-Escondido) 230 kV lines. The following delivery network upgrades are needed to mitigate these overloads: (1) bundle the existing line of the Talega-Southern (Talega-Pendleton or Talega-Case Springs) 230-kV #1 line to provide 912 MVA capacity; and (2) addition of a second Talega-Southern-Escondido (Talega-Pendleton-Escondido or Talega-Case Springs-Escondido) 230 kV line, including the addition of the 230-kV bay positions at the Talega and Escondido 230-kV substations (the Talega-Southern [Talega-Pendleton or Talega-Case Springs] 230-kV portion of this line is to have a capacity of 912 MVA and the Southern-Escondido [Pendleton-Escondido or Case Springs-Escondido) 230-kV #2 line's capacity will be 456 MVA. Looping the second Escondido-Talega tie-line into the Southern (Pendleton or Case Springs) 230-kV switch rack will require the following additional upgrades at Escondido and Talega substations to accommodate the new terminal additions.
 - ◆ Escondido substation upgrades: (1) relocation and replace bank 71; (2) modify the north and south buses to make room for a new bay addition; (3) install a new 230kV breaker and half bay to include 1-bank, 1-tie, and 1-line positions; (3) lot-support structures as required; (4) 1-230/69kV transformer; (5) 2-230kV circuit breakers; (6) 5-230kV disconnect switches; (7) power and control wiring; (8) tie-line protection; (9) metering; (10) SCADA and communication interface; and (11) re-route the existing 12kV ducts to make room for bank 71.
 - ◆ Talega substation upgrades: (1) install a new 230-kV, breaker and half bay to include 1-line and 1-tie positions; (2) lot-support structures as required; (3) 2-230-kV breakers; (4) 4-230-kV disconnect switches; (5) power and control wiring; (6) tie-line protection; and (7) SCADA and communication interface.

10.6 Additional Technical Documents and Other Material Incorporated by Reference

The following material is incorporated by reference and, by this reference, made a part hereof. The incorporated material is inclusive of all relevant documents associated with each referenced publication, including accompanying technical studies, appendices, and attachments.

- United States Fish and Wildlife Service, Biological and Conference Opinions on the Revised Land and Resources Management Plans for the Four Southern California National Forests, California (1-6-05-F-773.9), September 15, 2005.

The USFWS' "biological opinion" for the revised land and resource management plans for the Angeles, Cleveland, Los Padres, and San Bernardino National Forests contained general environmental baseline information regarding the CNF, described the general effects of the then proposed Forest Service action, addressed cumulative impacts, contained a species-by-species evaluation, included an incidental take statement, and presented conservation recommendations. The information concerning existing biological resources and impacts upon those resources attributable to Forest Plan implementation is relevant to the proposed project.

- Lake Elsinore and San Jacinto Watersheds Authority (EIP Associates), Fisheries Management Plan for Lake Elsinore, Riverside County, California, Final, August 2005.

The fisheries management plan provided detailed information concerning the aquatic environment and resources in Lake Elsinore and presented strategies for improving and enhancing sport fishing and nutrient reduction, including carp removal and control, fish stocking, enhancing lake spawning and rearing habitats, and monitoring. Since Lake Elsinore serves as the proposed lower reservoir, information regarding the existing aquatic habitat is germane to an understanding of the existing environmental setting.

- Elsinore Valley Municipal Water District (MWH), Elsinore Basin Groundwater Management Plan, June 2003.

The groundwater management plan (GWMP) provides an evaluation of the Elsinore Basin and a plan ensure a reliable long-term supply of groundwater to meet drought and dry season demands through 2020. The plan examines the basin's hydrogeology, contains an evaluation of baseline conditions, identifies management issues and strategies, and contains an implementation plan. Since Lake Elsinore will serve as the proposed lower reservoir and since groundwater constitutes one of the available make-up sources to replenish surface waters lost to evaporation, the groundwater management plan contains relevant information concerning the existing basin and potential impacts to that basin based on water withdrawals.

- United States Army Corps of Engineers, San Juan Creek Watershed Management Study, Orange County, California, September 2002.

The ACOE's San Juan Creek watershed management study, inclusive of all appendices and technical studies associated therewith, presents an "outline" for the management of the San Juan Creek watershed, including an examination of "problems" impacting the watershed's health, and recommendations for treatment, implementation, and monitoring. The ACOE's "San Juan Creek Watershed Management Study, Orange County, California, Feasibility Phase, F-5 Report" (August 2002) contains information on problems and opportunities and a summary of the existing resources, such as water (hydrology), floodplain (hydraulics), geology, soils, transportation, and land use. Both the proposed Decker Canyon and alternative Morrell Canyon upper reservoir sites are located within the San Juan Creek watershed.

Talega-Escondido/Valley-Serrano 500-kV Interconnect Project

Lake Elsinore Advanced Pumped Storage Project

- San Diego Gas & Electric Company (KEA Associates), Valley-Rainbow Interconnect Proponent's Environmental Assessment, March 2001.

In support of an application for a "certificate of public convenience and necessity" (CPCN), as filed with the California Public Utilities Commission (CPUC), SDG&E submitted a four-volume "Proponent's Environmental Assessment" (PEA) for SDG&E's previously proposed Valley-Rainbow 500-kV interconnect project. Although not specifically a CEQA document, the format and content of the PEA is similar to that required under CEQA and presents detailed information concerning the project's existing environmental and regulatory setting and likely impacts associated with the project's implementation. The PEA contained extensive relevant information concerning SDG&E existing Talega and Escondido substations and the existing Talega-Escondido 230-kV transmission line, the environmental conditions and environmental setting evident within and proximal to that ROW, and the impacts associated with improvements to that transmission line and those substations.

- San Diego Gas & Electric Company, Subregional Natural Community Conservation Plan, December 1995.

SDG&E's "Subregional Natural Community Conservation Plan" (SDG&E NCCP) authorized the take of 110 species resulting from impacts from SDG&E's on-going activities, including installation, use, maintenance, and repair operations and expansion to those systems. The implementation agreement between SDG&E, USFWS, and CDFG describes the legal rights and obligations of all participating parties over the 55-year life of the agreement. The SDG&E NCCP prescribes, in 61 operational protocols, various protection, mitigation, and conservation measures that SDG&E must implement as part of its covered activities. The SDG&E NCCP allows for up to 400 acres of impacts in natural areas before requiring an amendment.²¹

^{21/} The Applicant makes no representations as to the applicability of SDG&E NCCP to the proposed project but will defer such determination to the USFWS and CDFG. To the extent applicable, with regards to that portion of the proposed project located within the Talega-Escondido 230-kV transmission line ROW and Talega and Escondido substation sites, the Applicant will seek authorization to avail itself of any opportunities and remedies outlined therein.

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