



G. Braiden Chadwick
bchadwick@mitchellchadwick.com
916-462-8886
916-788-0290 Fax

November 27, 2017

VIA U.S. MAIL AND ELECTRONIC MAIL

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington DC 20426
kimberly.bose@ferc.gov

The Nevada Hydro Company, Inc.
2416 Cades Way
Vista, CA 92081
Attn: Rexford Wait

Re: Project No. P-14227-003 Request for Additional Studies

Dear Secretary Bose:

I previously submitted a letter on behalf of my client, EHOFF II Lakeside, LLC, (“Lakeside”) regarding the May 31, 2017, Notification of Intent to File License Application (“NOI”) for the Lake Elsinore Advanced Pumped Storage Project (“Project”), filed by Nevada Hydro Corp. That letter expressed Lakeside’s extensive concerns with the proposed Project’s potential impacts to Lakeside’s private property and with Nevada Hydro’s request to short-cut the standard licensing pre-application process. Extensive changes have occurred to the physical and social environment in Riverside County since Nevada Hydro first submitted an application thirteen years ago in 2004. Thus, Lakeside was surprised when FERC granted Nevada Hydro’s request to waive the normal pre-application requirements, especially given the objections of numerous landowners and interested parties.

As noted in Lakeside’s prior comment letter, dated August 17, 2017, Lakeside is particularly impacted by the proposed LEAPS project and will be a necessary stakeholder in the license application process. Lakeside owns ±500 acres of property adjacent to Corona Lake (aka Lee Lake), and has already completed substantial portions of the entitlement process for a 410-unit residential development, which will be clustered around Corona Lake and located adjacent to Temescal Canyon Road. (See Attachment A [Overview of Lakeside Residential Development].) The proposed LEAPS transmission lines cross directly through Lakeside’s property and residential development area, including placement of tower pads. (Attachment B [FLA Exhibit

{00032273;1 }

G, p. G-9, Figure G-1 (2 of 24)].) Lakeside is concerned that Nevada Hydro has not reached out to Lakeside regarding this proposed alignment, and that Nevada Hydro has not fully considered its proposed impacts to Lakeside's residential project.

FERC's September 29, 2017, letter response to Nevada Hydro's request explains that while the project proposal and existing environment have changed in various ways, additional issues and project impacts implicated by these changes will be addressed through FERC's post-filing process. These post-filing procedures include the filing of requests for additional study pursuant to 18 C.F.R. § 4.32(b)(7). Lakeside has reviewed the Final License Application ("FLA") and has identified several issues requiring updated or additional technical studies. Lakeside's request is informed by substantial entitlement efforts, including preparation of technical studies, for its residential project.

I. Request for Additional Studies

A. Additional studies addressing potential aesthetic impacts are required.

The FLA includes a report on aesthetic resources which address the potential impacts of the transmission lines. (See FLA, Exhibit E, § 8.5.2.) The report notes that the transmission line and proposed switchyard at Corona Lake will be visible to several new subdivisions being developed in the general vicinity. (See FLA, Exhibit E, § 8.5.2 [Impact VR-2].) However, this characterization understates the potential aesthetic impacts to Lakeside's proposed residential development. The switchyard and tower pads are proposed adjacent to and within the residential community. Thus, the aesthetic resources report and visual simulations must be updated and revised to account for Lakeside's project. Prior studies and simulations are insufficient, because they do not account for Lakeside's project or other developments which have occurred in the prior decade.

B. The biological resource and hydrology studies must be updated.

As noted in the FLA Environmental Report section addressing biological resources, numerous surveys will be required to update the incomplete and stale biological studies prepared for prior applications. (FLA, Exhibit E § 3.2.) Numerous environmental changes have occurred and new information has become available over the last decade. For these reasons, biological resource and hydrology studies are particularly susceptible to becoming stale. Lakeside has conducted numerous surveys of its own property and has identified sensitive wetland, riparian and riverine habitat, and along with special-status species within the proposed footprint of the transmission lines within Lakeside's property. Thus, any updated or revised biological resource or hydrology studies must be prepared in consultation with Lakeside and other private landowners.

In particular, biological resource and hydrology studies must be updated to account for the severely outdated wetland delineation that the FLA appears to rely on. The wetland delineation

included with the FLA is dated November 14, 2007, making it a decade old. Pursuant to U.S. Army Corps of Engineers guidance, approved jurisdictional delineations generally expire after five years. (See Regulatory Guidance Letters 16-01, 05-02)¹ A new wetland delineation must be prepared by a qualified environmental consulting firm, and that delineation must be verified by the Army Corps of Engineers. An updated delineation is critical to understanding the potential impacts of the LEAPS project on wetlands and other aquatic resources. Prior data is insufficient, as hydraulic conditions frequently change.

The hydrology and water quality study included with the FLA must also be updated to specifically address potential impacts to Corona Lake and Temescal Wash. Any discussion of potential impacts on these water features is missing from the current report. (See FLA, Exhibit E, § 2.) Since the applicant is apparently not aware of any available water quality data regarding Temescal Wash (FLA, Exhibit E, § 2.5), the applicant must consult with private land owners and relevant agencies to ensure an updated report on hydrology and water quality includes this data.

C. Cultural studies must be updated to account for new information.

The transmission line portion of the LEAPS project will cross several culturally sensitive areas, including Lakeside's property. Lakeside has conducted extensive cultural and archeological resource surveys which have confirmed the sensitivity of the Corona Lake area. In addition, Lakeside has consulted extensively with local tribes and has agreed to grant a conservation easement to protect a particularly sensitive cultural resource on Lakeside's property. Thus, Lakeside must be consulted during preparation of the report on historical and archeological resources to be prepared by the Applicant to ensure that the update incorporates new information described in the studies conducted by Lakeside. (See FLA, Exhibit E § 4.0.) The report, which will be prepared by qualified archeologists, must carefully address potential impacts of the transmission line and switchyard on resources in the Corona Lake and Temescal Canyon areas.

Lakeside is especially concerned with potential impacts to its private property but notes that the LEAPS project will also require extensive consultation for potential cultural impacts along the entire length of the project under both federal and State requirements. For example, Nevada Hydro must complete the necessary studies to complete the federal Section 106 consultation process. Nevada Hydro will also be required to comply with new State law requirements, such as tribal consultation under AB 52, that have been adopted since the initial application was filed.

¹ http://www.usace.army.mil/Portals/2/docs/civilworks/RGLS/rgl_6-01_app1-2.pdf

D. Additional studies addressing potential impacts on land use and planning issues are required.

The FLA report on land use explains that the transmission line will connect to a new substation located on private property at Corona Lake. (FLA, Exhibit E § 9.3.3.) That location is within or adjacent to Lakeside's private property—the future site of an exclusive lakeside residential community. Again, Nevada Hydro has never approached Lakeside regarding permission to purchase or use Lakeside's private property. For example, Nevada Hydro's October 2, 2017, letter addresses comments and concerns raised by some stakeholders, but not Lakeside's concerns regarding the proposed alignment within, and in some areas supplant, Lakeside's project. (See Attachment A [Lakeside Specific Plan Figure], Attachment B [FLA Figure G-1].) As a result, the FLA Report on Land Use must address the potential impacts of the proposed substation or transmission line alignment on Lakeside's property with additional studies, which must include consultation with Lakeside.

An updated land use report will describe additional uses which have been constructed or entitled within the last thirteen years, or since the prior LEAPS application was submitted. Obviously, the LEAPS project study objectives cannot be achieved if land use data is outdated. New land uses will almost certainly significantly change the potential impacts and feasibility of the proposed transmission lines. All directly affected landowners should be consulted as part of preparation of the updated land use report.

E. Economic feasibility of the Project must be revisited due to numerous changes to the social and physical environment.

The FLA includes a report on the social-economic impacts associated with the LEAPS project, but this report must be updated to address changes to the social and physical environment, including entitlements for a residential subdivision on Lakeside's private property. The current report included with the FLA is outdated and incomplete. For example, parcels APN 391-070-007 and APN 391-050-007 are not included in the Table E.5-25 list of real properties located along the transmission line alignment in Riverside County. (See FLA, Exhibit E, § 5.2.7.1.) These parcels are extremely important to Lakeside's residential project and are very valuable as a result. An updated report must consider the potential impacts to Lakeside's property, its residential project, and the economic feasibility of forcibly acquiring Lakeside's private property and impacting a high-end residential project. The updated report must also consider whether the proposed transmission line alignment will displace additional residences as a result of impacts to Lakeside's property.

Furthermore, the FLA suggests that the applicant will acquire privately owned properties via voluntary sale or conveyance. (FLA, Exhibit E, § 5.2.7.2.) However, Nevada Hydro has not contacted all private land owners, nor has it confirmed whether affected private property owners

are willing to sell or otherwise convey their land for the LEAPS project. Thus, any updated reports must consider the economic feasibility of alternative alignments or alternative acquisition methods for privately-owned property.

II. Conclusion

Lakeside's request focuses on studies required to address potential impacts to Lakeside's private property and residential development, and this letter provides specific examples of studies required within important resource areas. However, since many of the materials included with the FLA are so severely out-of-date (with many of the technical reports dated as early as 2004), they must completely re-done from scratch. Also, numerous additional studies and updates will be required for the State and federal environmental review and entitlement processes that the LEAPS project will be required to undergo, including the Riverside County Multiple Species Habitat Conservation Plan (MSHCP).

Best regards,

MITCHELL CHADWICK LLP



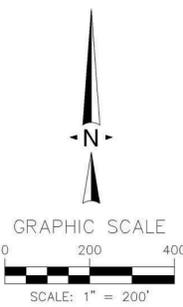
G. Braiden Chadwick

cc: Rhonda Neely (EHOF II Lakeside, LLC)
Tim Unger (EHOF II Lakeside, LLC)
Rod Dossey (WRA, Inc.)

Enclosures:

Attachment A: Lakeside Specific Plan Figure
Attachment B: FLA Figure G-1 (2 of 24)

Attachment A



Attachment B

Lake Elishore Advanced Pumped Storage Project
 Facilities Plan

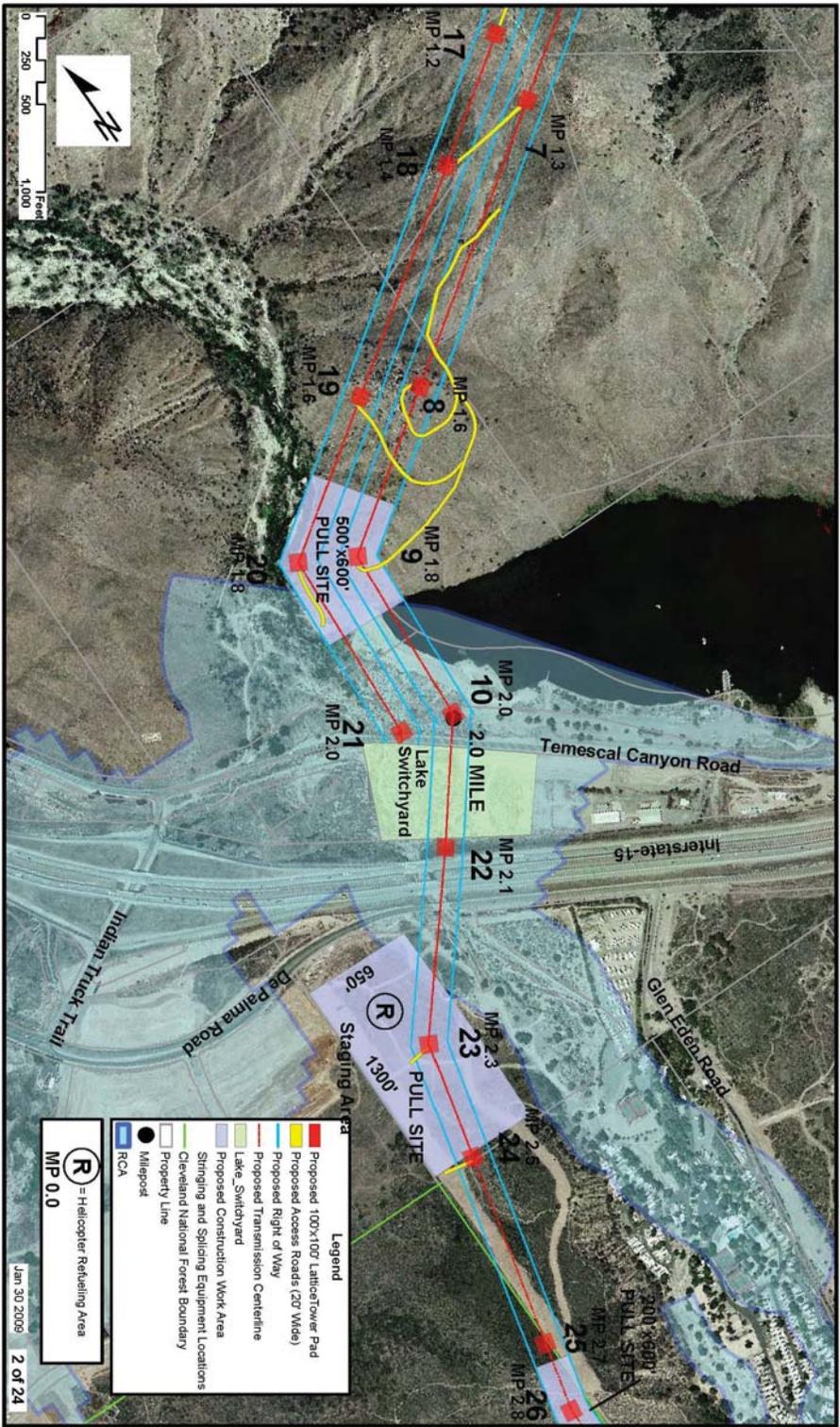


Figure G-1: (2 of 24) Lake Elishore Advanced Pumped Storage Route Map
 Source: The Nevada Hydro Company