

September 22, 2017

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, NE Washington, DC 20426

Re: Southern California Edison Company's ("SCE") Comments to the Nevada Hydro Company's ("Nevada Hydro") Notice of Intent to File Application ("NOI"), and on the Nevada Hydro's July 31, 2017 Letter, regarding Line Configuration – P-14227-000 The Nevada Hydro Company, Inc. Application for Preliminary Permit

Dear Secretary Bose:

Southern California Edison Company ("SCE") respectfully submits the following comments to (1) the Nevada Hydro's Notice of Intent to File Application ("NOI"). SCE also takes this opportunity to comment on (2) the subsequent letter submitted by The Nevada Hydro Company ("Nevada Hydro") on July 31, 2017, regarding the proposed configuration of the lines portion of Nevada Hydro's proposed Lake Elsinore Advanced Pump Storage project ("LEAPS"), and to (3) a letter submitted by Nevada Hydro dated April 29, 2016, in this proceeding.¹

COMMENTS

1. Nevada Hydro Should Update its Application To List the Agreed-To Point-of-Interconnection For the LEAPS Northern Primary Line

Exhibit A to Nevada Hydro's NOI (updated version filed on July 31, 2017) and the July 31 Letter both list an incorrect point-of-interconnection for the LEAPS northern primary line to SCE's Serrano-Valley 500 kV transmission line. Both documents describe the point-of

¹ The documents are, respectively:

⁽¹⁾ Notice of Intent to File License Application for the lake Elsinore Advanced Pumped Storage Project, Proceeding No. P.14227 (fld. May 31, 2017) ("NOI");

⁽²⁾ Response of The Nevada Hydro Company under P-14227 to July 24, 2017 Letter from Director Yearick, Proceeding No. P.14227 (fld. July 31, 2017) ("July 31 Letter");

⁽³⁾ Copy of Letter from The Nevadaa Hydro Company to Southern California Edison describing certain issues under the Interconnection Agreement for the lake Elsinore Advanced Pumped Storage facility under P-14227, et al., Proceeding No. P.14227 (*fld.* April 29, 2016) ("April 29 Letter").

interconnection as "Lake Switchyard" or "Lake Substation" (which appears to be a different name for Lake Switchyard).²

Per the parties' Large Generator Interconnection Agreement ("LGIA"), the correct point-of-interconnection will be SCE's future Alberhill Substation, not Lake Switchyard.³ Nevada Hydro should update its application and environmental documents to reflect the correct point-of-interconnection.

2. Nevada Hydro Should Explain How It Intends To Obtain the Water Resources Needed to Operate a Hydroelectric Project

As noted in the comments to the NOI submitted by the City of Lake Elsinore ("City") filed on July 14, 2017, "the Applicant [Nevada Hydro] no longer possesses any contractual or recognized water right to use the Lake for the LEAPS project."⁴

Expedited review of Nevada Hydro's NOI does not appear warranted. Nevada Hydro should explain how it intends to obtain the water and real property resources it requires to operate LEAPS.

3. The Records in Other Proceedings That Nevada Hydro Relies Upon For Expedited Review Do Not Support Such Review

To justify expedited review of the LEAPS project, Nevada Hydro asks the Commission to incorporate records assembled in other proceedings.⁵ For example, Nevada Hydro relies upon a record developed over five years ago in a licensing proceeding that Nevada Hydro initiated before the California Public Utilities Commission ("CPUC") to construct its proposed Talega-Escondido/Valley-Serrano 500 kV Interconnect Project.⁶

² E.g., July 31 Letter, at 2. NOI, Exhibit A (updated Exhibit A *filed* on July 31, 2017), at pp. A-7 & A-9.

Large Generator Interconnection Agreement ("LGIA") Between The Nevada Hydro Company, Southern California Edison Company and California Independent System Operator Corporation, Project: LEAPS TOT132 (Q#72), at passim (describing interconnection at "Alberhill Substation"). The current version of the LGIA has been submitted for Commission approval in Proceeding No. ER17-1863. The LGIA is available at https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14618021.

Regarding Alberhill Substation: SCE is seeking a license to construct Alberhill Substation in Proceeding A.09-09-022 before the California Public Utilities Commission. *In the Matter of the Application of Southern California Edison Company (U 338-E) for a Permit to Construct Electrical Facilities With Voltages Between 50 kV and 200 kV or New or Upgraded Substations With High Side Voltages Exceeding 50 kV: Alberhill System Project,* A.09-09-022 (fld. Sept. 30, 2009).

⁴ City of Lake Elsinore Comments to the Nevada Hydro Company's May 31, 2017 Notification of Intent to File License Application, Proceeding No. P-14227, at p.1 (fld. July 14, 2017).

NOI, at pp.8-9 (describing CPUC proceeding).

Id. That proceeding is: In the Matter of the Application of The Nevada Hydro Company for a Certificate of Public Convenience and Necesity for the Talega-Escondido/Valley-Serrano 500 kV Interconnect Project, Proceeding No. A.10.07.001 (Cal. Pub. Util. Comm'n. fld. July 6, 2010).

However, in 2012, the CPUC dismissed Nevada Hydro's application before performing environmental reviews, stating:

[W]e conclude that [Nevada Hydro's] application is procedurally deficient and should be dismissed. At this late date [18 months after Nevada Hydro filed its application], we decline to stay this proceeding while Nevada Hydro seeks expert witnesses to prepare testimony that is critical to the consideration of whether this project is viable, feasible, economic and whether there is a need for the project. The Commission cannot afford to squander its resources on applications that, despite over 18 months of work, remain vague and speculative as to the financing plan and indeed the project description itself. . . . In sum, despite months of work and resources expended by this Commission, the parties, and the project proponent itself, Nevada Hydro has not yet provided the Commission with a full and complete application that would allow us to assess the economics and need of the proposed project.⁷

Since Nevada Hydro's request for expedited review relies upon a record developed for a CPUC permitting application that the CPUC found to be incomplete and, on that basis dismissed before substantive review, the record in that proceeding does not support expedited review in P-14227.

4. Nevada Hydro Is Responsible for Obtaining Required Permits for the LEAPS Project

SCE takes this opportunity to respond to a letter that Nevada Hydro filed in this proceeding on April 29, 2016, involving environmental permitting. In that letter, Nevada Hydro appears to argue that the interconnection of LEAPS to SCE's future Alberhill Substation is part of the Alberhill System Project itself. That is not correct. The two projects are distinct and the LEAPS project is not within scope of the Alberhill System Project. Nevada Hydro is responsible for obtaining required permits for its own LEAPS Project.

A recent filing made by Nevada Hydro before the CPUC, and the CPUC's response, is instructive. As noted earlier, the point-of-interconnection for LEAPS' northern primary line is SCE's future Alberhill Substation. As noted earlier, SCE is seeking a Certificate of Public Convenience and Necessity before the CPUC to construct Alberhill.⁹

One week after filing the April 29 letter in Proceeding P-14227, Nevada Hydro submitted comments on the Draft Environmental Impact Report (DEIR) for SCE's Alberhill System Project

Decision Dismissing Application and Denying Petition to Modify Decision 11-07-036, Decision D.12-05-022, Proceeding No. A.10.07.001, at p.9 (Cal. Pub. Util. Comm'n. May 24, 2012); available at http://docs.cpuc.ca.gov/PublishedDocs/WORD PDF/FINAL DECISION/167564.PDF

⁸ April 29 Letter, *supra* note 1.

⁹ Fn. 3, *supra*.

to the CPUC pursuant to the California Environmental Quality Act (CEQA).¹⁰ Nevada Hydro's comments to the CPUC, like its letter filed in P-14227, wrongly inferred that the interconnection of LEAPS to the Alberhill Substation is part of SCE's Alberhill System Project and should thus be included in the Alberhill DEIR. However, as the CPUC correctly explained in its response to those comments:

...the LEAPS interconnection is not a 'reasonably foreseeable consequence' of the Alberhill System Project. Rather, the interconnection of the LEAPS project to the SCE grid is a reasonably foreseeable consequence of LEAPS.... Furthermore, providing an interconnection for the LEAPS project is independent from the purpose of the Alberhill Substation and Alberhill System Project, and is not part of the [Alberhill] proposed project....Therefore, the LEAPS project was correctly omitted from the Draft EIR's project description and from the environmental analysis of the proposed Alberhill System Project....¹¹

As such, SCE reasserts that Nevada Hydro's LEAPS project and SCE's Alberhill System Project are distinct. Nevada Hydro is responsible for obtaining required permits for the LEAPS Project.

Should you have any questions or concerns, please do not hesitate to contact me at Robert.Kang@sce.com, or (626) 302-6012.

Sincerely,

/s/Robert Kang Robert Kang Senior Attorney, Law Department Southern California Edison Company

Letter from David Kates, The Nevada Hydro Company, to Nicohlas Sher & Jensen Uchida, California Public Utilities Commission, re. Comments on the Draft Environmental Impact Report for SCE's Alberhill Substation Project (dated May 4, 2016). Attached as Exhibit 1 to these comments.

ValleyIvyglen Subransmission Line and Alberhill System Project Environmental Impact Report, Appendix L (Responses to Comment)(issued April 2017), Proceeding No. A.10.07.001, at p.52. The CPUC's response to Nevada Hydro's letter is attached as Exhibit 2 to these comments (excerpts). The full document is available online at: http://www.cpuc.ca.gov/Environment/info/ene/alberhill/Docs/Appendix%20L%20-%20Comment%20Response.pdf

Exhibit 1

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Midbust, Jessica

From: David Kates <dkates@sonic.net>

Sent: Wednesday, May 04, 2016 9:27 AM

To: 'Uchida, Jensen'; 'Nicholas Sher'; VIG/ASP

Cc: 'Rex Wait'

Subject: Comments on Alberhill System Project DEIR

Attachments: NHC Comments Attachment 2 - Letter to SCE.PDF; NHC Comments on Alberhill DEIR

A0909022.pdf; NHC Comments Attachment 1 - LGIA.PDF

Follow Up Flag: Follow up Flag Status: Completed

Please find attached the comments of Nevada Hydro on the draft EIR for Alberhill.

We would be happy to discuss any aspect of our comments.

Thanks for the consideration.

4-1

David

David Kates **The Nevada Hydro Company**3510 Unocal Place, Suite 200

Santa Rosa, CA 95403

707.570.1866



May 4, 2016

Mr. Nicholas Sher, 505 Van Ness Avenue San Francisco, CA 94102

Mr. Jensen Uchida, California Public Utilities Commission California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

VIG.ASP@ene.com

California Public Utilities Commission

RE: VIG/ASP

c/o Ecology and Environment, Inc. 505 Sansome Street, Suite #300 San Francisco, CA 94111

RE: Comments on the Draft Environmental Impact Report for SCE's Alberhill Substation Project Dear PUC CEQA Team

On April 14, 2016, the Public Utilities Commission of the State of California ("Commission") 4-2 published its draft environmental impact report ("DEIR") for Southern California Edison's ("SCE") Alberhill project.¹ The Nevada Hydro Company, Inc. ("Nevada Hydro") is a party to the Commission's proceeding. Although the Commission and its staff consistently meet and usually exceed the mandates of California Environmental Quality Act ("CEQA"), as described herein, Nevada Hydro was frankly flabbergasted to see that in this case the DEIR does not meet the requirements of CEQA because it fails 4-4 to include facilities SCE is obligated to construct at Alberhill and fails to analyze other facilities connected to and dependent upon the existence of Alberhill. While SCE apparently did not describe the contractual obligations it has assumed to the Commission in its application², in its amendment to its application,³ in its original and amended Proponent's Environmental Assessment ("PEA") submitted as

[/] Valley-Ivyglen 115-kV Subtransmission Line and Alberhill System Projects, Draft Environmental Impact Report, State of California Public Utilities Commission, A.07-01-031, A.09-09-022, SCH NOS. 2008011082, 2010041031, April 2016.

[/] Application of Southern California Edison Company Ill 338-E) for a Permit to Construct Electrical Facilities With Voltages Between 50 kV and 200 kV or New or Upgraded Substations with High Side Voltages Exceeding 50 kV: Alberhill System Project, September 30, 2009.

[/] Amendment to the Application of Southern California Edison Company (U 338-E) for a Certificate of Public Convenience and Necessity: Alberhill System Project, March 12, 2010.

page 2

part of the applications,⁴ nor as the Commission progressed through its analysis, the Commission's consultant, Ecology and Environment, Inc. ("E&E") also failed to identify this obligation and its ramifications under CEQA. As a result, Nevada Hydro believes that:

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- 1. SCE's application is not complete and should not have been deemed complete under Commission Rules; and,
- 2. The DEIR must be extensively revised to incorporate these significant omitted issues and then be recirculated in order for the Commission to comply with the CEQA.

1.0. Introduction: Nevada Hydro's Lake Elsinore Advanced Pumped Storage project

The Federal Energy Regulatory Commission ("FERC") is responsible for licensing Nevada Hydro's proposed 500 MW Lake Elsinore Advanced Pumped Storage ("LEAPS") facility and its associated lines ("gen-ties") connecting the facility to the grid under its Project No. 14227. The project is being licensed as a major unconstructed hydroelectric facility under the provisions of the Federal Power Act of June 10, 1920 ("FPA"), Chapter 285 and under licensing regulations found at 18 CFR, Subchapter B, Part 4. The FERC is also the lead federal agency for National Environmental Policy Act ("NEPA") compliance. In 2007, FERC staff published a Final Environmental Impact Statement ("Final EIS") as required by NEPA for LEAPS⁵, in which it determined the point at which LEAPS is to connect to the Valley–Serrano transmission line, identified therein as the "Lake" site.

This gen—tie consists of nearly 15 miles of 500 kV wire suspended on roughly 41 towers, with a portion running underground, along a route identified in the Final EIS from LEAPS to the Lake site. Construction is expected to cost approximately \$260 million.

In addition to the referenced NEPA review, this route and connection point have been subject to previous CEQA analysis by the Commission. First, as far back as 2002, as part of the Valley-Rainbow Interconnect proceedings, the Commission and the BLM prepared a detailed analysis of a broad range of alternative transmission alignments meeting, in whole or in part, the stated objectives of the proposed project for compliance with CEQA.⁶ As indicated in that analysis, Nevada Hydro's route and connection point were identified as potentially the only viable route for the proposed connection.

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Southern California Edison Company, Proponent's Environmental Assessment Alberhill System Project, September 30, 2009 ("PEA") and the Amended PEA filed April 2014.

⁵/ 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 ("Final EIS"). This document is now in the process of being updated in the present docket.

[/] Interim Preliminary Report on Alternatives Screening for: San Diego Gas & Electric Company Valley - Rainbow 500 kV Interconnect Project, CPCN Application No. 01-03-036, U.S. BLM Case No. CACA-43368.

page 3

More recently, in the final environmental impact report the Commission prepared for the Sunrise Powerlink project, the Commission evaluated this route and connection point as part of the environmentally superior transmission alternative to the proposed Sunrise project.⁷

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2.0. The Interconnection Agreement between SCE and Nevada Hydro requires a 500 kV Connection linking LEAPS to the Alberhill substation, missing from the DEIR.

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Commencing in 2006, SCE, the California Independent System Operator ("CAISO") and Nevada Hydro began working together to interconnect LEAPS to the CAISO's transmission system under the CAISO's interconnection procedures for large generators. This work included execution of System Impact and Facilities Study Plans and preparation by SCE of System Impact and Facilities Studies. The project is number 72 in the CAISO interconnection queue. Based upon SCE's findings from these studies, the parties negotiated and executed a Large Generator Interconnect Agreement ("LGIA") which sets forth the terms and conditions under which LEAPS will connect to the CAISO controlled grid through the SCE high voltage system.

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One of the major issues raised during this negotiation of the LGIA involved identifying the actual connection point. Originally, the connection was to be at a switchyard to be constructed by Nevada Hydro as described in the Final EIS called "Lake". Nevada Hydro contended that it must use the site specified in the Final EIS, while SCE advanced planning for their Alberhill substation and insisted that the connected occur at their proposed Alberhill site. The fully executed LGIA now identifies Alberhill substation as the connection point. The site SCE proposed for its Alberhill substation in this proceeding is approximately one mile southeast of the FERC—identified Lake location.

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Further, the LGIA requires that the parties coordinate their construction schedules so that the completion of Alberhill and other system upgrades would coincide with the timing for the commercial operation date for LEAPS, requiring Nevada Hydro to now commence funding these design, engineering, procurement and construction activities SCE has described in the LGIA. The omission of SCE's obligations under the LGIA from the DEIR has thrown a "monkey wrench" into the expectations of Nevada Hydro, SCE as well as the CAISO. The CAISO is also a party to the LGIA, and has planned their own needs with the expectation that both SCE and Nevada Hydro would meet the responsibilities enumerated in the LGIA.

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/ California Public Utilities Commission and Bureau of Land Management, Final Environmental Impact Report/Environmental Impact Statement and Proposed Land Use Amendment – San Diego Gas & Electric Company Application for the Sunrise Powerlink Project, SCH No. 2006091071, DOI Control No. DES-07-58, October 2008.

-12 Cont. C

⁷ This procedure was imposed on Nevada Hydro by SCE and the CAISO notwithstanding that LEAPS is a storage facility and not a generator.

[/] Available at http://www.caiso.com/Documents/ISOGeneratorInterconnectionQueue.pdf. The project is in the fourth position from the top of the list.

[/]Terms of the LGIA were finalized in FERC Dockets ER12–1302 and ER12–1305 through a FERC–sponsored settlement proceeding that became final on February 21, 2014. A copy of the agreement as filed with the FERC is included as Attachment 1 to this letter.

page 4

Among the many provisions of this agreement is that SCE has assumed the obligation to connect LEAPS to its 500 kV Valley Serrano line at Alberhill under the provisions identified in the LGIA. If it is unable to do so at Alberhill, SCE remains obligated to make this connection nonetheless:

In the event that SCE modifies its plan for the Alberhill 500/115 kV Substation . . . then the Participating TO would develop an alternate plan to connect the Generating Facility to the Valley – Serrano 500kV Transmission Line. The alternate plan for connection to the Valley-Serrano 500kV Transmission Line may be subject to CPUC review and concurrence if this information has not yet been evaluated as part of the LGIP review process. [Emphasis added]

4-17

A copy of a page extracted from the LGIA with the single line diagram SCE prepared showing its plans for connecting LEAPS, as well as the above quote obligation is included as Exhibit 1 to this letter.

Due to the omission of the LGIA obligation from the DEIR, SCE may be obligated to undertake interconnecting LEAPS at Lake (or another nearby site), with the impacts of this alternative absent from the DEIR, notwithstanding it would be a direct consequence of the omission. Clearly also, if SCE is unable to meet its obligations set forth in the agreement, it could be subjected to certain consequences as specified in the LGIA. Please see Nevada Hydro's recent letter to SCE on this issue, (Attachment 2), as an indicator of how serious this matter may be to the parties to this agreement.

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3.0. CEQA requires that the DEIR include the obligation of SCE to interconnect LEAPS at Alberhill and as it does not, it fails to meet the mandates of CEQA.

CEQA requires that all relevant parts of a project, including reasonably foreseeable future expansion and other activities that are part of the project, must be included in the Project Description. The test expressed in the California Supreme Court's 1986 *Laurel Heights* decision: "an EIR must include an analysis of future expansion or other actions if: (1) it is a reasonably foreseeable consequence of the initial project, and (2) the future expansion or action will be significant in that it will likely change the scope or nature of the initial project or its environmental effects." CEQA also requires the study of actions related to a proposed project in the environmental document. These "related actions" include "connected actions," "indirect impacts," and "cumulative impacts." As both parties have obligated themselves under contract to connect LEAPS at Alberhill, the connection of LEAPS through Alberhill is clearly a "reasonably foreseeable consequence" as well as a "connected action". Further, routing more than 15 miles of 500 kV transmission from LEAPS to Alberhill is "significant in that it will likely change the scope or nature of the initial project or its environmental effects." Nonetheless, the

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¹¹/See Laurel Heights Improvement Ass'n v. Regents of Univ. of Cal. (1988) 47 Cal. 3d 376.

4-22 Cont. A

4-22 Cont. B

Lach of these related actions have been fully described by this Commission previously. See for example, Assigned Commissioner's Ruling Addressing Newly Disclosed Environmental Information, In the Matter of the Application of San Diego Gas & Electric Company (U 902 E) for a Certificate of Public Convenience and Necessity for the Sunrise Powerlink Transmission Project, Application 06-08-010, July 27, 2007, at Page 2.

¹³/See Note 12 describing "connected actions" as those activities that are related in such a way that they should be considered parts of a single action. Connected actions, because they are closely related, must be analyzed in the same CEQA document as the proposed action.

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description and analysis of the 500 kV connection from LEAPS to the DEIR—identified site for Alberhill is absent from the DEIR. Also absent are the facilities within the Alberhill site and beyond that are required for the connection to occur, facilities described in detail in the LGIA.

4-22 Cont.

Nevada Hydro understands that in order for the Commission to comply with CEQA, the 500 kV line connecting LEAPS to Alberhill must be identified and analyzed in this DEIR. Further, the facilities required for this connection within the substation footprint and potentially elsewhere must also be included. Thus, the Commission must reexamine the alternatives selected for evaluation in DEIR in light of this significant omitted information. Otherwise, under what permitting scenario can Nevada Hydro obtain siting approval to reach the Valley Serrano transmission line without triggering a CEQA fragmentation claim? Lam sure this is potential litigation and delay none of us wish to face

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fragmentation claim? I am sure this is potential litigation and delay none of us wish to face.

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Section 15205(a) of Title 14 of the Code of California Regulations ("CCR") identifies the focus of review of an EIR is to be on "the sufficiency of the document in identifying and analyzing the possible impacts on the environment and ways in which the significant effects of the project might be avoided or mitigated." Based upon its review, Nevada Hydro believes that the DEIR lacks the description of and impacts of the 500 kV connection from LEAPS to Alberhill and also does not account for the connection facilities needed to integrate LEAPS into the CAISO system as required by the LGIA.

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Nevada Hydro respectfully suggests that § 15088.5(a) of CCR Title 14 controls this situation:

A lead agency is required to recirculate an EIR when significant new information is added to the EIR after public notice is given of the availability of the draft EIR for public review under Section 15087 but before certification. As used in this section, the term "information" can include changes in the project or environmental setting as well as additional data or other information. New information added to an EIR is not "significant" unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project's proponents have declined to implement.

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The omission from the DEIR of analysis and conclusions of more than 15 miles of 500 kV transmission lines, supporting towers and other facilities needed to interconnect LEAPS to the grid in this populated area at minimum, presents "significant new information" as it is described in this section, requiring the Commission to recirculate the DEIR upon concluding this additional required analysis.

4.0. SCE may have neglected to inform the Commission of the full scope of the proposed project, and if so, the application should not have been accepted for filing and deemed complete.

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Although SCE expended considerable time and resources working with Nevada Hydro and the CAISO to interconnect LEAPS, it appears to Nevada Hydro that SCE may have misinformed the Commission by excluding mention of the LEAPS LGIA during the Commission processing of its application.

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For example, in its original PEA, filed with the Commission in September 2009, SCE mentioned LEAPS only briefly in Chapter 6:

page 6

In addition to the developments listed below, the Nevada Hydro Company is proposing the Lake Elsinore Advanced Pump Storage (LEAPS) project that would include a pump storage facility utilizing Lee Lake (approximately 1.5 miles northwest of the Alberhill Substation site) and a reservoir to be created in the Cleveland National Forest west of the City of Lake Elsinore. The proposed LEAPS project also includes construction of transmission lines between the pump storage facility and SCE's Valley-Serrano 500 kV transmission line and San Diego Gas and Electric's (SDG&E's) Talega-Escondido 220 kV transmission line.

In 2009, when SEC filed its PEA, it was well aware of the interconnection process it was leading with Nevada Hydro to connect LEAPS, noting only that somehow the existence of LEAPS fell into the category of "Cumulative Impacts". Although the Amended PEA submitted in April 2011 did not include an update to Chapter 6, through most of 2011, the parties were negotiating terms of the LGIA, and in drafts from late 2010, SCE had already insisted that the connection point be identified as "Alberhill" rather than "Lake" as Nevada Hydro preferred.

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While the LGIA had not been executed when it refiled its application with the Commission in early 2011, SCE was aware of the potential obligations it was incurring to connect LEAPS at Alberhill. When the parties finally executed the LGIA in late 2013 and SCE thereby formally assumed its obligation to interconnect LEAPS, perhaps it should have then notified the Commission of this obligation and new purpose for Alberhill in an amendment to its application or other notice to the Commission's CEQA team, but apparently did not.

It may seem, therefore, that SCE may have not properly informed the Commission of important information relevant to CEQA, and through that omission, failed to present crucial details necessary for the Commission to reach a reasoned and informed decision under CEQA.

5.0. E&E may have been misled by SCE's omissions, but they also failed to perform a rudimentary investigation that would have allowed the DEIR to meet the mandates of CEQA it now does not.

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There are only three parties to this proceeding: a representative from SCE, a representative from this Commission, and Nevada Hydro. In its motion for party status, Nevada Hydro alerted the Commission to the issues described herein, yet Nevada Hydro was never contacted during the preparation of this DEIR.

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In its PEA, SCE stated as follows:14

Previous applications from the Nevada Hydro Company to the CPUC for a Certificate of Public Convenience and Necessity (CPCN) to construct the Lake Elsinore Advanced Pump Storage (LEAPS) project have included a proposed switchyard . . .

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SCE, Commission staff and E&E should have known (or could easily have found out) that Nevada Hydro's application to the Commission was for a transmission project not for approval of a pumped hydro project, which is jurisdictional exclusively to FERC under the Federal Power Act. Nonetheless,

¹⁴/See Note 4 at Page 2–1.

page 7

even this roundabout notice should have triggered inquiry of how LEAPS was to connect to the grid. Were there to be 2–500 kV connection points into the Valley–Serrano line within a mile of each other or were other configurations under consideration and might one involve Alberhill?

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Then, in the DEIR, E&E failed to grasp the rudimentary basics of the business of constructing energy assets. In Table 3–1, for example, consideration of Nevada Hydro's Lake substation site was eliminated from further consideration, apparently due to confusion over the project to be assessed. ¹⁵ E&E apparently looked to Nevada Hydro's proposed (and quite separate) transmission line project, rather than properly considering the site as a connection point for the LEAPS 500 kV gen tie under the LGIA, this notwithstanding findings in the Final EIS, and the Commission's own EIS/EIR for the Sunrise project on the suitability of this site.

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6.0. Conclusion

Nevada Hydro understood from conversations with SCE and Commission staff, that when the Commission evaluated Alberhill, it would incorporate into its analysis routing for the 500 kV connection from LEAPS into Alberhill and other necessary facilities. The omission from consideration of the obligations SCE has assumed reflected in the LEAPS LGIA is fundamental to the flaws in the DEIR that must be corrected to meet the mandates of CEQA.

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However one may wish to characterize the cause of the omission of information describing SCE's obligations under the LGIA, Public Resources Code § 21166 clearly requires that an EIR be updated (whether through preparation of a subsequent or supplemental EIR) when:

(a) Substantial changes are proposed in the project which will require major revisions of the environmental impact report.

(b) Substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report.

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(c) New information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available.

Perhaps SCE had no obligation to mention the LGIA to the Commission until it was finally executed and approved, in which case it should have proposed "substantial changes" to the proposed project, thereby activating subsection (a). Perhaps final execution and approval of the LGIA then altered the "circumstances under which the project is being undertaken" in which case, subsection (b) rules. Least likely, the notice to the Commission in this filing may be seen as providing "new information, which was not known and could not have been known", which would thereby activate subsection (c). In any case, CEQA requires that the DEIR as it now appears must be corrected to account for SCE's obligations in the LGIA.

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[/]E&E may also have placed too much credence in SCE's "evaluation" of the Lake site contained in its PEA at page 2–1, given the SCE's stated preference for its selected site as well as competitive issues.

page 8

Nevada Hydro looks forward to working with Commission and E&E staff to provide factual information to help correct this deficiency.

Sincerely,

David Kates

David Kates

Enclosures

Exhibit 2

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Valley-Ivyglen Subtransmission Line and Alberhill System Project EIR

Appendix LResponses to Comments

Lead Agency:

California Public Utilities Commission

Prepared by:

Ecology and Environment, Inc. 505 Sansome Street, Suite 300 San Francisco, CA 94111

April 2017

- **63-15:** See the revisions to the MSHCP discussion under Section 4.4.2.3, which describe how the applicant would be covered under the MSHCP.
- **63-16:** Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.
- **63-17:** Comment noted.

The Nevada Hydro Company (Letter # 4)

- **4-1:** The CPUC acknowledges receipt of Nevada Hydro's comments.
- **4-2:** To clarify, the DEIR published by CPUC on April 14, 2016, is for two proposed projects—the Alberhill System Project and the Valley-Ivyglen Subtransmission Project, as explained on pages 1-1 through 1-2 of the DEIR. No additional response is required.
- 4-3: Each project is subject to a separate proceeding at the CPUC. Nevada Hydro is a party to the Alberhill System Project proceeding (A.09-09-022) but is not a party in the Valley-Ivyglen Subtransmission Project proceeding (A.07-01-031). Because Nevada Hydro states it is a party to the proceeding and Nevada Hydro is only a party to the Alberhill System Project proceeding, it is assumed for purposes of responding to comments that the remainder of Nevada Hydro's comment letter is focused on the Alberhill System Project.
- **4-4:** See response to comments 4-2, 4-14, 4-15, 4-17, 4-18, and 4-22.
- **4-5:** See response to comment 4-27 regarding completeness of SCE's application for a CPCN.
- **4-6:** See response to comment 4-22 for a discussion of revisions to the EIR with respect to the Lake Elsinore Advanced Pump Storage Project (LEAPS) 500-kV transmission line and interconnection to Alberhill Substation. See response to comment 4-26 regarding whether the DEIR must be recirculated.
- 4-7: To clarify, under project 14227, Nevada Hydro has been granted a preliminary permit. FERC is not actively licensing LEAPS at this time; however, the preliminary permit "[allows] the permit holder to investigate the feasibility of project while the permit holder conducts investigations and secures necessary data to determine the feasibility of the proposed project and to prepare a license application" (FERC 2012). The CPUC understands, based on information contained in Nevada Hydro's most recent reports to FERC, that Nevada Hydro "is continuing moving to complete necessary work that will allow it to file a complete license application in a timely fashion" (NV Hydro 2016). The CPUC recognizes that a license application was filed for LEAPS under FERC Project 11858, but that FERC dismissed that applicant with regards to the current LEAPs project—Project 14227—FERC indicated to the CPUC's consultant that a license application has not been filed (Fargo pers. comm. 2017). This comment does not raise environmental issues regarding the DEIR or its analyses or conclusions; therefore, no additional response is required.

- The CPUC acknowledges that FERC staff published a Final Environmental Impact Statement (EIS) under NEPA in connection with FERC Project 11858. Note that the 2007 FERC LEAPS Final EIS does not state explicitly that LEAPS would connect at the "Lake" site to the Valley Serrano 500-kV transmission line. Appendix F of the FERC Final EIS shows an aboveground route between LEAPS' proposed upper reservoir and an area identified in Section 2 of the Final EIS as the "Proposed Northern Substation." In addition, Section 5 of the Final EIS references the "northern substation near Lee Lake." The CPUC also notes that Nevada Hydro's 2012 LEAPS Pre Application Document (PAD)⁸ references a "Lake Switchyard" (Figure 2 of the PAD), which is presumably the "Lake Site" referenced by the commenter. This comment does not raise environmental issues regarding the DEIR or its analyses or conclusions; therefore, no additional response is required.
- 4-8a: Contrary to the commenter's statement that the EIS is "in the process of being updated in the present docket," FERC indicated to the CPUC that no National Environmental Policy Act (NEPA) review is currently underway for Project 14227 (Fargo pers. comm. 2017). Any additional NEPA review would occur after filing of a license application (Fargo pers. comm. 2017). Nevada Hydro has not yet filed an application for a license, as described in response to comment 4-7. This comment does not raise environmental issues regarding the DEIR or its analyses or conclusions; therefore, no additional response is required.
- 4-9: The CPUC reviewed the San Diego Gas & Electric Company Valley Rainbow 500 kV Interconnect Project Interim Preliminary Report on Alternatives Screening. Nevada Hydro states that this document was prepared in compliance with CEQA; however, note that the alternative screening process was undertaken "to capture the analysis process and status alternatives as of November 2002," and as stated in the report, "[the report] is intended to be an informational source and is not, in and of itself, a CEQA/NEPA document nor does it substitute for a full EIR/EIS" (CPUC and the Bureau of Land Management (BLM) 2002). Although a Notice of Preparation was issued for the project in 2001, and the CPUC published an Initial Study and public scoping report, the CEQA process was not completed. The request for a CPCN was denied, and the CPUC ordered that the Energy Division cease preparation of the CEQA document in 2002 (CPUC 2002).

The report contains two routes that appear to have been submitted by Nevada Hydro (the "Cleveland National Forest, Trabuco District" alternatives). Although the commenter states, "Nevada Hydro's route and connection point were identified as potentially the only viable route for the proposed connection," the report notes that the feasibility of both Trabuco District alternatives were "undetermined" (CPUC and BLM 2002).

This comment does not raise environmental issues regarding the DEIR or its analyses or conclusions; therefore, no additional response is required.

4-10: To clarify, the CPUC, with the BLM as the NEPA lead agency, released the Final EIR/EIS for the Sunrise Powerlink project in 2008. The Final EIR/EIS examined two alternatives involving LEAPS, including the "LEAPS Generation and Transmission Alternative" and the "LEAPS Transmission-Only Alternative." The LEAPS Generation and Transmission Alternative

⁸ The PAD was submitted for the LEAPS project in the docket for FERC Project 14227, under which Nevada Hydro currently holds a preliminary permit.

included the entire LEAPS project. The LEAPS Transmission-Only alternative included only the 500-kV transmission interconnection of the LEAPS Project and an upgrade to an existing 230-kV transmission line. The LEAPS Transmission-Only Alternative was the same as the Talega-Escondido/Valley-Serrano (TE/VS) 500-kV transmission line (CPUC 2008). The LEAPS Transmission-Only Alternative and LEAPS Generation and Transmission Alternative were found to be among the environmentally superior alternatives to the proposed project then under review. At the time, Nevada Hydro had applied to the CPUC for a CPCN for the TE/VS project (CPUC 2008). The CPUC's decision on the Sunrise Powerlink project concluded that there was not substantial evidence that the LEAPS Transmission-Only Alternative could meet most of the basic project objectives of the Sunrise Powerlink Project and determined it would be evaluated in its own CPCN proceeding (CPUC 2008). The CPUC's decision granting a CPCN approved a different alternative – the Environmentally Superior Southern Route (CPUC 2008).

This comment does not raise environmental issues regarding the Draft EIR or its analyses or conclusions; therefore, no additional response is required.

- **4-11:** See responses to comments 4-14, 4-17, and 4-18 regarding the requirements of the Large Generator Interconnection Agreement (LGIA) with regards to interconnection of LEAPS to the Alberhill Substation. See response to comment 4-22 for a discussion of revisions to the EIR with respect to the LEAPS' 500-kV transmission line and interconnection to Alberhill Substation.
- **4-12:** The CPUC acknowledges the LGIA between SCE and Nevada Hydro, and notes the commenter's statements about the CAISO interconnection queue. This comment does not raise environmental issues regarding the DEIR or its analyses or conclusions; therefore, no additional response is required.
- **4-12a:** The commenter's assertion is noted and included in the record. The commenter provides no detail nor does the commenter explain what bearing the statement has on the CPUC's review of the Alberhill System Project under CEQA that would allow for a more detailed response to this comment. Therefore, no additional response can be provided.
- **4-12b:** This statement is noted and included in the record, with the document found at the referenced hyperlink, for consideration by decision makers. The comment does not raise environmental issues regarding the DEIR or its analyses or conclusions; therefore, no additional response is required.
- **4-12c:** The LGIA is noted and included in the record for consideration by the decision makers. Note that CEQA does not require that the lead agency respond to general reference materials cited to support comments (*Environmental Protection Information Center v. Dept. of Forestry & Fire Protection* (2008) 44 Ca.4th 459, 483–484). To the extent that Nevada Hydro references specific portions of the LGIA in its comments on the EIR or uses specific portions of the LGIA to support its comments on the EIR, the LGIA is addressed in responses to comments 4-14, 4-15, 4-16, 4-17, 4-18, 4-19, and 4-22.
- **4-13:** Nevada Hydro's contentions about the settlement negotiations for the LGIA are noted and included in the record. Per response to comment 4-8, although the FERC Final EIS does not specifically reference a "Lake" site, the CPUC recognizes that the "Northern Substation" identified in the EIS—or potentially another location near Lee Lake referenced in other

documents—is understood by the commenter to be the "Lake location." Further, the CPUC acknowledges that the LGIA identifies the Alberhill Substation as the point of interconnection and that it is generally understood that the Alberhill Substation would likely be the LEAPS interconnection point in the event that both the Alberhill Substation and LEAPS are constructed. Because the comment does not raise an environmental issue and the commenter does not explain the relevance of its claims about the settlement negotiations for the LGIA to the DEIR, no additional response can be provided.

4-14: The LGIA's identification of the Alberhill Substation as the LEAPS interconnection point is noted and included in the record. To clarify, while the LGIA identifies the Alberhill Substation as the point of interconnection, the LGIA discloses the possibility of other interconnection options should SCE modify its plan for the Alberhill Substation or if it is not constructed:

In the event that SCE modifies its plan for the Alberhill 500/115 kV Substation, or the substation project does not receive CPUC approval, then the Participating TO would develop an alternate plan to connect the Generating Facility to the Valley – Serrano 500kV Transmission Line. The alternate plan for connection to the Valley-Serrano 500kV Transmission Line may be subject to CPUC review and concurrence if this information has not yet been evaluated as part of the LGIP review process. (Nevada Hydro, SCE, and the California Independent System Operator (CAISO) 2013)

Regarding the commenter's assertions about the FERC Final EIS's identification of a "Lake" site, see response to comment 4-8 and references to the "Northern Substation" and "Lake Switchyard." The CPUC notes that the Alberhill Substation is about 1.6 miles southeast of the Lake Switchyard site. This comment does not raise environmental issues regarding the DEIR or its analyses or conclusions; therefore, no additional response is required.

- 4-15: The CPUC reviewed the LGIA with regards to construction schedule and was unable to locate a clause that mandates that parties to the LGIA "coordinate their construction schedule so that completion of the Alberhill System Project and other upgrades would coincide with the timing for the commercial operation date for LEAPS. . . . " It is unclear what section of the LGIA the commenter is referring to because the commenter does not provide any specific references to sections of the LGIA. The commenter may be referring to the content of Article 5 of the LGIA, which sets forth the responsibilities for each party in selecting dates such as the in-service date and completion date of the required interconnection facilities and network upgrades. In any event, the commenter's claims about schedule coordination and provisions of funds to SCE, whether or not they are required by the LGIA, do not raise any environmental issues regarding the DEIR or its analysis; therefore, no additional response is required.
- 4-16: The commenter does not explain or provide detail as to which of their, SCE's, or CAISO's "expectations" have been affected by omission of SCE's LGIA obligations from the EIR. The commenter has not provided detail about how CAISO's planning efforts have been affected by the DEIR. Furthermore, CAISO did not submit a comment on the DEIR, and SCE's comment on the Draft EIR was silent about the LGIA. CEQA Guidelines section 15126.2 requires that "[a]n EIR . . . identify and focus on the significant environmental effects of the proposed project." CEQA Guidelines section 15358 requires that effects analyzed under CEQA be related to a physical change. Impacts to "expectations" without a nexus to a physical change in the environment need not be analyzed under CEQA. The comment does not allege a physical impact on the environment; therefore, no additional response can be or need be provided.

4-17: The statements regarding the LGIA's requirements for interconnection of LEAPS to the Alberhill Substation, as well as Exhibit 1 attached to the commenter's letter, are noted and included in the record for consideration by the decision makers. The full portion of the commenter's quote from the LGIA is:

In the event that SCE modifies its plan for the Alberhill 500/115 kV Substation, or the substation project does not receive CPUC approval, then the Participating TO would develop an alternate plan to connect the Generating Facility to the Valley – Serrano 500kV Transmission Line. The alternate plan for connection to the Valley-Serrano 500kV Transmission Line may be subject to CPUC review and concurrence if this information has not yet been evaluated as part of the LGIP review process.

This comment does not raise an environmental issue or an issue with the DEIR's analysis or conclusions; therefore, no further response is required.

- 4-18: The commenter notes that impacts of an alternative LEAPS interconnection plan are absent from the Draft EIR. See response to comment 4-22, which explains that the LEAPS' interconnection is not a consequence of the construction of the Alberhill Substation and is therefore not part of the proposed project under CEQA. As explained in response to comment 4-8, a "Lake Switchyard" is identified in Nevada Hydro's 2012 PAD. The CPUC understands the "Lake site" referenced by the commenter to be the "Lake Switchyard" identified in Nevada Hydro's 2012 PAD. The CPUC further acknowledges, per the LGIA quotation included in response to comment 4-17, that if the Alberhill Substation is not constructed and LEAPS is later approved, an "alternative plan to connect [LEAPS] to the Valley – Serrano 500kV Transmission Line" would be implemented. Such a plan could include interconnection at the Alternative DD Substation, if feasible, or as described in text added to Chapter 5.0, Comparison of Alternatives (see "Cumulative Impacts" under the Alternative DD analysis), would more likely include the construction of another substation at the Lake Switchyard site or another site. If either of the latter are required as a consequence of the Alberhill Substation not being constructed (i.e., if either the Lake Switchyard or another substation not analyzed in the EIR are required), a separate application would be filed at some point in the future. Finally, the CPUC notes that there is nothing in the record that would prevent Nevada Hydro or another entity from filing an application for another substation in the vicinity.
- **4-19:** Nevada Hydro's claim about "certain consequences" to SCE if it does not meet obligations in the LGIA is noted and included in the project record. This comment does not raise environmental issues or issues with the DEIR analysis or conclusions; therefore, no additional response is required.
- **4-20:** Nevada Hydro's letter to SCE, attached as Attachment 2 to the comment letter, as well as its comment on the seriousness of the matter are noted and included in the project record for consideration by the decision makers. Responses to comments 4-38 through 4-71 address the content of Nevada Hydro's letter to SCE.
- **4-21:** See responses to comments 4-22 through 4-26.

4-22: Evaluation of LEAPS as Part of the Proposed Project

CEQA requires "that an EIR must include an analysis of the environmental effects of future expansion or other action if: (1) it is a reasonably foreseeable consequence of the initial project;

and (2) the future expansion or action will be significant in that it will likely change the scope or nature of the initial project or its environmental effects. Absent these two circumstances, the future expansion need not be considered in the EIR for the proposed project" (*Laurel Heights Improvement Association of San Francisco v. Regents of the University of California* (1988) 47 Cal.3d 376, 396). Although the commenter claims that CEQA requires that certain information about future actions be included in the project description, under CEQA "the issue should not be rigidly defined as whether the project description was adequate . . . [as] the fundamental dispute is whether the EIR adequately discussed future uses of the [project] and their environmental effects" (*Id.*, n.6).

Although not made clear in the comment, it is presumed the commenter considers the interconnection of LEAPS at Alberhill Substation a "reasonably foreseeable consequence" of the Alberhill Substation's construction as part of the Alberhill System Project. However, the LEAPS interconnection is not a "reasonably foreseeable consequence" of the Alberhill System Project. Rather, the interconnection of the LEAPS project to the SCE grid is a reasonably foreseeable consequence of LEAPS. Section 5.6 of the LGIA states that SCE shall begin construction of the interconnection facilities and network upgrades as soon as practicable after several conditions are satisfied. One condition listed in LGIA section 5.6.1 is that "[a]pproval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval" (Nevada Hydro, SCE, and CAISO 2014). Nevada Hydro would need a license from FERC as well as all other government approvals to build LEAPS to satisfy this condition before SCE must begin construction of interconnection facilities at Alberhill Substation. This clearly demonstrates that LEAPS' 500-kV transmission line and interconnection to Alberhill Substation are a reasonably foreseeable consequence of LEAPS and that LEAPS' 500-kV transmission line and interconnection to Alberhill Substation are not a reasonably foreseeable consequence of the construction of the Alberhill Substation or the Alberhill System Project. Furthermore, providing an interconnection for the LEAPS project is independent from the purpose of the Alberhill Substation and Alberhill System Project, and is not part of the proposed project. The objectives of the Alberhill System Project are explained in EIR section 1.2.2; none of the identified objectives relate to providing an interconnection for the LEAPS project. Details regarding the project objectives are further articulated in Appendix K. Therefore, the LEAPS project was correctly omitted from the Draft EIR's project description and from the environmental analysis of the proposed Alberhill System Project, except in the context of cumulative impacts (as noted below).

Evaluation of LEAPS as a Connected Action

To clarify the commenter's claims about "connected actions," and as explained in the ruling cited by the commenter in footnote 12, "connected actions" are a consideration under NEPA. NEPA requires the proposed action under NEPA include federal connected actions (Code of Federal Regulations, Title 40, Section 1508.25(a)). Similarly, CEQA (CEQA Guidelines Section 15003 (h) and Section 15378) requires the "whole of the action" be analyzed for the proposed project. However, providing an interconnection for the LEAPS project is independent from purpose of the Alberhill Substation and Alberhill System Project, and is not part of the "whole of the action" or the proposed project.

⁹ As described in response to comment 4-7, Nevada Hydro currently has only a preliminary permit for the LEAPS project. As described in response to comment 4-8a, Nevada hydro has not even filed an application for a license for LEAPS from FERC.

Indirect Impacts

operations.

To clarify CEQA's requirements with regards to indirect impacts, CEQA Guidelines section 15358(a)(2) requires analysis of "indirect or secondary effects which are caused by the project and are later in time or farther removed in distance, but are still reasonably foreseeable." As described above, the LEAPS project was properly omitted from the project description of the Alberhill System Project; therefore, indirect impacts associated with LEAPS were properly omitted from the analysis. The commenter does not make any claims as to the DEIR's adequacy with regards to its analysis or conclusion regarding reasonably foreseeable indirect impacts associated with the proposed project as defined in the EIR; therefore, no additional response can be provided.

Evaluation of LEAPS as a Cumulative Project

Although the commenter does not explicitly request that the LEAPS interconnection be included in the cumulative impacts analysis, the CPUC has concluded that the LEAPS project should be considered a cumulative project, because (for CEQA purposes) it is prudent to consider it to be a reasonably foreseeable probable future project, due to the existence of (1) an LGIA with SCE and (2) a preliminary permit issued by FERC. (CEQA Guidelines section 15355(b).)

With regards to cumulative impacts, CEQA Guidelines Section 15355 defines cumulative impacts as "two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts." An EIR's discussion of cumulative impacts begins with a discussion of whether the "combined cumulative impact associated with the project's incremental effect and the effects of other projects is not significant..." (CEQA Guidelines section 15130(a)(2)). If the cumulative impact is not significant, the EIR does not need to provide additional detail about the impact (*see* CEQA Guidelines section 15130(a)(2)). If the cumulative impact is significant, then the EIR must discuss whether the project's contribution to that impact is "cumulatively considerable" (*see* CEQA Guidelines section 15130(a)(3)).

As explained in EIR section 6.2.2, the EIR uses the project list approach and the summary of projections approach for the cumulative impacts analysis. Individual cumulative projects are only examined when the project list approach is used. Given the fact that Nevada Hydro has not yet filed an application with FERC, it is unlikely that LEAPS would be constructed within the timeframe of the Alberhill System Project or Valley-Ivyglen Subtransmission Project. Therefore, the cumulative impacts of the LEAPS project have only been considered for resource areas where the DEIR uses the project list approach and where significant impacts would occur during operation.¹⁰

Under the project list approach, impacts of individual projects are considered in combination with the impacts of the proposed project. CEQA Guidelines section 15145 states the general rule that, "[i]f after thorough investigation, a Lead Agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusion and terminate discussion of

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¹⁰ As listed in Draft EIR section 4.2.2.1, resource areas that use the project list approach include aesthetics, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, noise, and transportation and traffic. However, the CPUC determined that only aesthetics impacts would have the potential to be cumulatively considerable because only aesthetics impacts would be significant and unavoidable during

the impact." If the Alberhill Substation is constructed and the LEAPS project is approved, the LEAPs interconnection point would be the Alberhill Substation. However, if the Alberhill Substation is not constructed, an alternative, but as of yet unknown, plan to interconnect LEAPS would be implemented in accordance with the terms of the LGIA. Therefore, while the CPUC assumes that, in its review of each of the Alberhill Systems Project and the Valley-Ivyglen Subtransmission Line Project, each would contribute to a cumulative impact with certain LEAPS 500-kV interconnection components in certain resource areas, because the design, location and timing of construction of the LEAPS interconnection components are unknown, the nature and extent of the significance of the Valley-Ivyglen Subtransmission Line Project's or the Alberhill System Project's contribution to a cumulative impact cannot be ascertained and is speculative. Though the nature and severity of the potential impacts is speculative, a general discussion of impacts with respect to aesthetics has been added to Chapter 6.0.

In addition, while previous applications submitted to both the CPUC and FERC contained routing information for LEAPS' associated 500-kV transmission line, the CPUC notes that such routes were intended to connect to the Lake Switchyard, which is located over a mile west of the proposed Alberhill Substation site. Therefore, it is reasonable to assume that if the Alberhill Substation is constructed and LEAPS is later approved, the 500-kV transmission line would be rerouted to connect to the Alberhill Substation. As a result, while a general discussion of impacts related to the LEAPS interconnection at the Alberhill Substation have been added to the aesthetics analysis in Chapter 6.0, the nature and extent of the impacts of the LEAPS 500-kV transmission line cannot be evaluated, and it would be speculative for the EIR to evaluate the cumulative impacts resulting from either of the proposed projects together with the LEAPS 500-kV transmission line. Therefore, a discussion of the cumulative impacts resulting from the LEAPS 500-kV transmission line is not included in Chapter 6.0.

- **4-22a:** To clarify, the *Assigned Commissioner's Ruling Addressing Newly Disclosed Environmental Information* was issued on July 24, 2007, not July 27, 2007.
- **4-22b:** See response to comment 4-22 regarding the concept of "connected actions."
- 4-23: See response to comment 4-22 for a discussion of why the LEAPS 500-kV transmission line and its interconnection to the Alberhill Substation were properly excluded from the proposed project description and the impact analysis of the proposed project and why the CPUC instead considers LEAPS a cumulative project. Regarding alternatives, CEQA Guidelines section 15126.6(a) requires that an EIR describe a reasonable range of alternatives that "would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project" The alternatives analyzed in the EIR meet those requirements. That being said, a discussion of the cumulative impacts of Alternative DD in light of the LEAPS project has been added to Chapter 5.0, Comparison of Alternatives. As a result, Alternative DD is no longer considered the Environmentally Superior Alternative.
- 4-24: The commenter's question about successful permitting scenarios for LEAPS and its statement about litigation and delay are noted and included in the record for consideration by the decision makers. However, this comment pertains to the scope and adequacy of the permitting process for the Nevada Hydro's LEAPS project. This comment does not raise an environmental issue or a concern about the adequacy of the environmental analysis or conclusions of the EIR for the Alberhill System Project, which, as explained in response to comment 4-22, does not include

the LEAPS interconnection or 500-kV transmission line. Therefore, no additional response is necessary.

- **4-25:** To correct the commenter's citation, it is section 15204(a) of title 14 of the California Code of Regulations (or, CEQA Guidelines section 15204(a)) that contains the text quoted by the commenter. See response to comment 4-22 for a discussion of revisions to the EIR with respect to the LEAPS' 500-kV transmission line and interconnection to Alberhill Substation.
- A Lead Agency is required to recirculate an EIR when "significant new information" is added 4-26: to the EIR after notice is given of the availability of the Draft EIR for public review but prior to certification. In addition, CEOA Guidelines section 15088.5 states that, "New information added to an EIR is not 'significant' unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect [...] that the project proponents have declined to implement." Recirculation is not required where the new information added to the EIR merely clarifies, amplifies, or makes insignificant modifications to an otherwise adequate EIR. (See Laurel Heights Improvement Assn. v. Regents of the University of California (1993) 6 Cal.4th 1112, 1130.) Response to comment 4-22 discusses the EIR's analysis of LEAPS. The CPUC considers the disclosure of the LEAPS project in the EIR to be adequate because the design, location and timing of construction of the LEAPS interconnection and its associated 500-KV transmission line are unknown and any further analysis would be speculative. As such, the public has not been deprived of an opportunity to provide meaningful comment, and therefore, recirculation is not required.
- The commenter does not cite to a specific requirement that SCE did not meet that should have 4-27: precluded the CPUC from deeming SCE's application complete, so it is uncertain which specific requirement the commenter believes SCE did not comply with. However, for CEQA purposes, CEQA Guidelines section 15101 outlines requirements for the lead agency's review of an application for completeness and solely provides timelines for deeming an application complete. Any questions about the CPUC's determination of the completeness of the application are outside of the CEQA process. Additionally, CPUC's General Order 131-D Section VIII(A) outlines the content required in a CPCN application. Relevant to Nevada Hydro's comment, GO 131-D Section VIII(A)(1)(a) requires a detailed project description. It is presumed, due to the content of the remainder of Nevada Hydro's comment letter, that Nevada Hydro believes the "full scope of the proposed project" would include the LEAPS 500-kV transmission line and the interconnection to the Alberhill Substation. As explained in response to comment 4-22, LEAPS' 500-kV transmission line and interconnection to the Alberhill Substation were appropriately omitted from the EIR's project description and its environmental analysis of the Alberhill System Project (except as to cumulative impacts). Furthermore, this comment does not raise issues as to the adequacy of the environmental analysis or conclusions in the EIR; therefore, no further response is required.
- 4-28: This comment contains various claims relating to information SCE provided to CPUC, what SCE knew about LEAPS, the content of SCE's PEA and Amended PEA, and the LGIA negotiations between Nevada Hydro and SCE. This comment is included in the record for consideration by the decision makers. However, this comment does not raise an environmental issue or a concern about the adequacy of the environmental analysis or conclusions of the EIR; therefore, no additional response is required. See response to comment 4-22 regarding consideration of LEAPS in the EIR.

- **4-29:** Due to the content of the remainder of Nevada Hydro's comment letter, CPUC presumes this comment pertains to the inclusion of the LEAPS 500-kV transmission line and interconnection to the Alberhill Substation, as contemplated in the LGIA, in the EIR. See response to comment 4-22 for a discussion of revisions to the EIR with respect to the LEAPS' 500-kV transmission line and interconnection to Alberhill Substation.
- **4-30:** To update and correct the commenter, there are four parties to the Alberhill System Project proceeding (A.09-09-022). The parties are Southern California Edison, CPUC's Office of Ratepayer Advocates, Nevada Hydro, and Forest Residents Opposing New Transmission Lines (FRONTLINES). FRONTLINES was granted party status on August 31, 2016, after the commenter submitted his DEIR comment.
- 4-31: CPUC Energy Division reviewed Nevada Hydro's motion for party status dated June 23, 2010. It is assumed that the "issues" to which Nevada Hydro refers to in this comment are its claim that certain LEAPS components should be analyzed as part of the project description for the Alberhill System Project, as Nevada Hydro claims in its motion:

Contrary to specific CEQA requirements specifying that agencies consider the "whole of the action" (14 CCR 15378[a]), SCE proposes to fragment the environmental process by separating the approval process for its own Alberhill project from its near term purpose of connecting LEAPS and the TE/VS Interconnect into the grid."

The claim that Nevada Hydro was not contacted during preparation of the Draft EIR is noted and included in the record for the decision makers. The commenter does not claim the lack of consultation with Nevada Hydro during preparation of the DEIR violates CEQA. Nonetheless, note that CEQA requirements for consultation during preparation of an EIR are contained in CEQA Guidelines section 15082 and 15083. Scoping activities are described in DEIR section 1.3.4 and in DEIR Appendix A (Public Scoping Summary). The CPUC's scoping efforts met and exceeded CEQA requirements for scoping. For example, the CPUC conducted outreach to the general public beyond the requirements in CEQA Guidelines section 15082(a) and section 15083. Furthermore, the CPUC held three scoping meetings, all of which were open to the public, which goes beyond the requirements in CEOA Guidelines section 15082(c).

- 4-32: This comment makes various claims about what various entities should have known and should have investigated with regards to LEAPS' connection to the grid. Insofar as this comment ultimately pertains to evaluation of LEAPS in the EIR, as suggested by comment 4-29, see response to comment 4-22 for a discussion of revisions to the EIR with respect to the LEAPS' 500-kV transmission line and interconnection to the Alberhill Substation.
- 4-33: The commenter's contentions that the CPUC's consultant does not understand construction of energy assets is noted and included in the record.. Contracting with a professional consultant to prepare an EIR is an authorized method of preparation (CEQA Guidelines section 15084(d)(2) and a very common practice. Ultimately, the determination of whether the EIR meets CEQA requirements is made by the Lead Agency in its decision whether to certify the EIR. (CEQA Guidelines section 15090(a)(1).)

It is presumed that the commenter's statements about "confusion over the project to be assessed" refer to the commenter's contention that the LEAPS project should have been included in the project description of the Alberhill Systems Project. This is addressed in response to comment 4-22.

In discussing the content of Table 3-1, the commenter refers to ASP Alternative A, the "Lee Lake Substation Site." As explained in EIR section 3.2.3:

The Alternatives Screening Report [contained in Appendix D] was drafted using preliminary information for the project. As a result, the conclusions made in the EIR have affected the suitability of alternatives that were previously retained in the Alternatives Screening Report. Alternatives that were retained based on preliminary information in the Alternatives Screening Report, but are no longer suitable for full analysis in the EIR, are detailed in Table 3-1.

As explained in Table 3-1 of the EIR, ASP Alternative A was eliminated from consideration in the EIR because it did not meet CEQA requirements for consideration. Under CEQA, for consideration in an EIR, an alternative must avoid or substantially reduce a significant impact of the proposed project, among other requirements. Table 3-1 explains that ASP Alternative A would not avoid or substantially reduce a significant impact of the proposed project. The potential for the construction schedules of the Alberhill System Project and TE/VS project (which the commenter refers to as the "LEAPS 500-kV gen tie" in its comment) to overlap was considered in making that determination. Alternative A was therefore properly eliminated from consideration in the EIR as an alternative to the Alberhill System Project.

See response to comment 4-23 regarding consideration of the LEAPS' 500-kV transmission line and interconnection to Alberhill Substation in the alternatives analysis for the Alberhill System Project. See response to comment 4-10 regarding the CPUC's Sunrise Powerlink Project EIR/EIS. The CPUC assumes that "findings in the Final EIS" refers to FERC's 2007 Final EIS for the LEAPS project as part of FERC Project 11858. See response to comment 4-8 regarding the FERC Final EIS for LEAPS.

Further, the CPUC notes that in the event that the Alberhill Substation is not constructed or the Alternative DD site is selected and the Nevada Hydro project is unable to connect as disclosed in Chapter 5.0, Comparison of Alternatives, the CPUC is unaware of anything in the record that would prevent Nevada Hydro or another entity from proposing another substation at the Lake Switchyard site or another site.

- **4-33a:** This comment contains Nevada Hydro's unsupported speculation about why the CPUC's consultant eliminated the "Lake substation site" from consideration in the EIR. See response to comment 4-33 regarding the EIR's consideration of ASP Alternative A, "Lee Lake Substation Site."
- 4-34: This comment makes statements regarding Nevada Hydro's understanding of conversations with SCE and CPUC staff about what would be included in the analysis of the Alberhill System Project. The comment does not indicate when these discussions occurred, and the CPUC Environmental Division is unaware of any such conversations. Note that the CPUC has conducted this analysis of the proposed Alberhill System Project in accordance with CEQA. See response to comment 4-22 for a discussion of revisions to the EIR with respect to the LEAPS' 500-kV transmission line and interconnection to Alberhill Substation.
- **4-35:** See response to comment 4-22 for a discussion of revisions to the EIR with respect to the LEAPS' 500-kV transmission line and interconnection to Alberhill Substation.

- **4-36:** To clarify when preparation of a subsequent or supplemental EIR is required, CEQA Guidelines sections 15162 and 15163 explain that subsequent EIRs and supplemental EIRs are prepared only after an EIR has been certified. The EIR for the Alberhill System Project has not been certified; therefore, Public Resources Code section 21116 does not apply.
- **4-37:** Response to comment 4-36 explains why preparation of a subsequent EIR or supplement EIR is not required. See response to comment 4-22 for a discussion of revisions to the EIR with respect to the LEAPS' 500-kV transmission line and interconnection to Alberhill Substation.
- **4-38:** This comment is introductory material and for the raises no specific environmental issues. Nevada Hydro's general concerns about the EIR are noted and included in the project record. Refer to the responses to comments 4-39 to 4-71 for responses to the remainder of Nevada Hydro's letter to SCE.
- **4-39:** Refer to response to 4-14.
- **4-40:** Refer to response to 4-8.
- **4-40a:** Refer to response to 4-8a.
- **4-41:** This comment contains claims about negotiations with SCE. This comment is included in the record for consideration by the decision makers. However, this comment does not raise an environmental issue or a concern about the adequacy of the environmental analysis or conclusions of the EIR; therefore, no additional response is required.
- **4-42:** Refer to response to comment 4-34.
- 4-43: The commenter's concern is noted and included in the record for consideration by the decision makers. The project description in the DEIR is based on SCE's submittals to the Energy Division. The CPUC is not aware of evidence that the project description in the DEIR is not accurate or is incomplete; therefore, no additional response can be provided.
- **4-44:** This comment contains speculation by Nevada Hydro, which is noted and included in the record, but does not raise environmental issues regarding the DEIR or its analyses or conclusions. Therefore, no additional response is required. Refer to responses to comments 4-64 through 4-71 regarding specific concerns expressed in Attachment 1.
- **4-45:** This comment does not raise environmental issues regarding the DEIR or its analyses or conclusions. Therefore, no additional response is required. Insofar as Nevada Hydro previously claimed that SCE's application to the CPUC was incomplete because it did not discuss the full scope of the project, refer to responses to comments 4-27 and 4-28.
- **4-46:** Refer to response to comment 4-22 for discussion of LEAPS as a "connected action." To clarify, the CAISO source cited in Table 3-1 is CAISO's 2014–2015 Transmission Plan. Table 2.6-7 of the 2014–2015 Transmission Plan notes that the Talega–Escondido/Valley–Serrano 500-kV Interconnect, as submitted by Nevada Hydro, was not found to be needed in the 2014–2015 transmission planning cycle. In the DEIR, this information was used to support the idea that "the potential for the construction schedules for the Alberhill Project and the TE/VS project to overlap was unlikely." Refer to response to comment 4-33 for further explanation of the content of Table 3-1 of the DEIR.

- **4-47:** This comment contains speculation by Nevada Hydro and is included in the record for consideration by the decision makers. To the extent it raises a question about the LGIA's consideration in the Draft EIR, refer to response to comment 4-22.
- 4-48: This comment contains speculation about a contractual breach, statements about payments by Nevada Hydro, and various assertions about how LEAPS cannot interconnect as described in the LGIA. Comments about payments and contractual breach do not raise environmental issues regarding the Draft EIR or its analyses or conclusions; therefore, no additional response to these comments is required. Response to comment 4-22 discusses the DEIR's project description with regards to LEAPS and the LGIA. The commenter states there is a "substation drawing" in the LGIA; to clarify, the figure in the LGIA is a one-line diagram of the interconnection to Alberhill Substation, which is a schematic drawing.
- **4-49:** This comment expresses concern, reference to unspecified proposed changes, penalties to SCE, a statement that Nevada Hydro cannot know when it may be able to energize LEAPS, and statements about delay. This comment does not raise environmental issues regarding the DEIR or its analyses or conclusions; therefore, no additional response is required.
- **4-50:** Refer to response to 4-22.
- **4-50a:** Refer to response to 4-22.
- **4-50b:** Refer to response to 4-22.
- **4-51:** Refer to response to 4-24.
- **4-52:** This comment contains a question for SCE that does not pertain to the adequacy of the DEIR or its environmental analysis or conclusions; therefore, no response is required to the question. Attachment 2 is noted and included in the record for consideration by the decision makers. Refer to response to 4-17 regarding the full text of the LGIA provision cited by the commenter.
- 4-53: This comment contains a statement regarding Nevada Hydro's uncertainty about how SCE will allow for a connection pursuant to the LGIA, which does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required. Presumably, the "piecemealing" claim raised by the commenter refers to the DEIR's discussion of the LGIA. Refer to response to comment 4-22.
- 4-54: This comment contains various statements of Nevada Hydro regarding the content of the LGIA; actions of the SCE, CAISO, and CPUC with regard to the interconnection; discussions between SCE and CAISO; and Nevada Hydro's speculation about violations of FERC 1000. Nevada Hydro also alludes to other unnamed concerns. Regarding the discussion of the LGIA in the DEIR and the CPUC's treatment of the LEAPS interconnection, refer to response to comment 4-22. Otherwise, this comment does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required.
- **4-55:** Presumably, given the content of the remainder of the letter, the commenter believes the "mess" referenced in this comment is the DEIR's omission of the LEAPS 500-kV transmission line interconnect to the Alberhill Substation. For a discussion of the content of SCE's PEA, refer to

response to comment 4-27. Regardless of the content of SCE's PEA, the DEIR's discussion of LEAPS is adequate under CEQA, as explained in response to comment 4-22.

It is unclear what discussion with CAISO the commenter is referring to; however, the commenter may be referring to the information from CAISO cited in DEIR Table 3-1, per comment 4-46. Refer to response to comment 4-46.

- **4-56:** Refer to response to 4-22.
- **4-56a:** This comment is noted and included in the record for the decision makers for consideration. To the extent that, as a footnote to 4-56, the comment may refer to how the CPUC should have considered the LGIA in the DEIR, refer to response to comment 4-22.
- **4-57:** This comment requests that SCE notice the CPUC that it will update its PEA to include SCE's obligations under the PEA, This comment does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required. Refer also to response to comment 4-27.
- **4-58:** This comment requests that CAISO submit comments on the DEIR. This comment does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required. Regarding Table 3-1, refer to response to comment 4-33.
- **4-59:** Refer to response to comment 4-22 regarding discussion of the LEAPS 500-kV transmission line and interconnection to Alberhill Substation in the DEIR.
- **4-60:** Refer to response to comment 4-26.
- **4-61:** This comment requests that SCE amend its PEA to discuss SCE's obligations under the LGIA. This comment does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required. Refer also to response to comment 4-27.
- **4-62:** The comment contains a demand that SCE and CAISO agree to certain terms regarding payment schedules in the LGIA and does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required.
- 4-63: This comment contains various references to SCE's negotiations with Nevada Hydro, SCE's obligations under the LGIA, and CAISO's potential interpretation of interconnection delays. Nevada Hydro expresses a desire to work with SCE and CAISO. This comment does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required.
- **4-64:** The commenter does not specify which CPUC rule or which Public Utilities Code section that SCE may have violated. Refer to response to comment 4-27 regarding the content of SCE's PEA. Because Nevada Hydro provides no specificity in this comment, no additional response can be provided.
- **4-65:** Refer to response to comment 4-22 regarding discussion of LEAPS facilities in the LGIA in the DEIR, as well as section 4.3 of the LGIA in particular. To clarify, the section of the LGIA that Nevada Hydro refers to requires that construction begin as soon as practicable after four

VALLEY-IVYGLEN AND ALBERHILL PROJECTS APPENDIX L — RESPONSES TO COMMENTS

conditions are met, only one of which is "[a]pproval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval." The comment does not otherwise raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required.

- 4-66: The comment about SCE's demand regarding interconnection of LEAPS does not raise an environmental issue about the DEIR or its analysis or conclusions. Refer to response to comment 4-8 regarding the Lake site's identification in the FERC Final EIS for LEAPs. Refer to response to comment 4-22 regarding discussion of LEAPS facilities in the LGIA in the DEIR. Note that the CPCN application is for SCE to construct the Alberhill System Project as proposed by SCE.
- **4-67:** This comment contains an allegation that CAISO may have acted in bad faith, which does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required. Refer to response to comment 4-33 regarding the content of Table 3-1 of the DEIR.
- **4-68:** Refer to response to comment 4-66.
- **4-69:** This comment contains Nevada Hydro's speculation about what an arbitrator might determine with regards to SCE's obligations under the LGIA, which does not raise an issue with the environmental analysis in the DEIR or its conclusions; therefore, no additional response is required.
- **4-70:** Refer to response to comment 4-33 regarding the content of Table 3-1 of the DEIR. This comment contains an allegation that CAISO may have acted in bad faith or did not exercise reasonable efforts, which does not raise an issue with the environmental analysis in the Draft EIR or its conclusions; therefore, no additional response is required.
- **4-71:** This comment contains statements regarding SCE's obligations under the LGIA. This comment does not raise an issue with the environmental analysis in the DEIR or its conclusions, and no additional response is required.

We Are Temescal Valley (Letter # 324)

- **324-1:** Your support for VIG M and opposition to both the Alberhill Substation site and Alternative DD substation site have been noted.
- **324-2:** The commenter has not provided any specifics regarding allegations of inadequacy or referenced an specific items of the Riverside County General Plan. Therefore, no further response can be given.
- **324-3:** Comment noted.
- **324-4:** See the revised discussion of Alternative DD in Chapter 5.0, Comparison of Alternatives. Further, note that Alternative DD is no longer considered the Environmentally Superior Alternative.
- **324-5:** See response to comment 324-4.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing **SOUTHERN**CALIFORNIA EDISON COMPANY'S ("SCE") COMMENTS TO THE NEVADA

HYDRO COMPANY'S ("NEVADA HYDRO") NOTICE OF INTENT TO FILE

APPLICATION ("NOI"), AND ON THE NEVADA HYDRO'S JULY 31, 2017

LETTER, REGARDING LINE CONFIGURATION – *P-14227-000 The Nevada Hydro Company, Inc. Application for Preliminary Permit* upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rosemead, California, this 22nd day of September, 2017.

/s/ Jorge Martinez

Jorge Martinez, Legal Administrative Assistant SOUTHERN CALIFORNIA EDISON COMPANY

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| SCE Comments Ltr to Nevada Hydro NOI.PDF1-33 |