1. Project Title:
Applicant's Proposed Project (Project)
Major Component Parts:
Talega-Escondido/Valley-Serrano 230/500-kV Interconnect
Talega-Escondido 69/230-kV Upgrades
Lake Elsinore Advanced Pumped Storage

2. Lead Agency Name/Address:
California Public Utilities Commission
505 Van Ness Avenue, Fourth Floor, San Francisco, CA 94102

3. Contact Person/Telephone Number: Billie C. Blanchard, Regulatory Analysis III / (415) 703-2068

4. Project Location:
Unincorporated Riverside, San Diego, and Orange Counties
City of Lake Elsinore, Riverside County
Cleveland National Forest, Trabuco Ranger District
United States Marine Corp Base Camp Joseph H. Pendleton

5. Applicant Name/Address:
The Nevada Hydro Company, Inc. (TNHC)
Attn: Peter Lewandowski, President
2416 Cades Way, Vista, CA 92081
(760) 599-0086

6. General Plan Designation: Various

7. Zoning Designation: Various

8. Description of Project:
Major Component Parts:

(1) TE/VS Interconnect. CPUC-permitted network upgrades including, but not limited to, new 32± mile, 500-kV TL with a nominal design capacity of 1,100 MW extending from TNHC's new Lake Switchyard northward to connect to TNHC's new Case Springs Substation and to SCE's existing 500-kV Valley-Serrano TL and southward to TNHC's new Case Springs Substation and SDG&E's existing 230-kV Talega-Escondido TL; TNHC's new Santa Rosa Substation; improvements to SCE's existing Skylark and Elsinore Substations; and 115-kV subtransmission upgrades.

(2) Talega-Escondido Upgrades. CPUC-permitted network upgrades including, but not limited to, 52± mile second 230-kV circuit (Talega-Escondido No. 2) to SDG&E's existing 230-kV Talega-Escondido TL; improvements to SDG&E's existing Talega and Escondido Substations; rebuild/relocate 8± miles of existing 69-kV subtransmission line, including new wood/steel poles within SDG&E right-of-way.

(3) LEAPS. FERC-licensed advanced pump storage facility with two 250-MW synchronous generators, 600 MW of pump load, step-up transformers, and appurtenant facilities; subject to permitting, a gen-tie to either TE/VS Interconnect or to both SCE's Valley-Serrano 500-kV TL and SDG&E's Talega-Escondido 230-kV TL.

(4) Such additional ancillary and related facilities, improvements, system upgrades, and mitigation as may be associated therewith.

9. Surrounding Land Uses Various

10. Other agencies whose approval may be required:

(1) Federal Energy Regulatory Commission
(2) United States Department of the Navy/United States Marine Corps
(3) United States Forest Service
(4) United States Fish and Wildlife Service
(5) United States Army Corps of Engineers
(6) State Water Resources Control Board
(7) Regional Water Quality Control Board, Santa Ana Region

(8) Regional Water Quality Control Board, San Diego Region
(9) California Department of Fish and Game
(10) California Department of Transportation
(11) South Coast Air Quality Management District
(12) San Diego Air Pollution Control District
(13) California Independent System Operator
(14) Counties of Riverside, Orange, and San Diego
(15) Cities of Lake Elsinore and Escondido

11. Utilities with affected facilities: Southern California Edison Company
San Diego Gas & Electric Company

Environmental Factors Potentially Affected: The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" (Class II) as indicated by the checklist on the following pages.

☐	Biological Resources	☐	Cultural Resources	☐	Water Resources
☐	Visual Resources	☐	Noise	☐	Geology/Mineral Resources/Soils
☐	Land Use	☐	Transportation	☐	Socioeconomics/Public Services/Utilities
☐	Wilderness/Recreation	☐	Public Health/Safety	☐	Fuels/Fire Management
☐	Agriculture	☐	Air Quality	☐	Mandatory Findings of Significance

Determination: On the basis of this initial evaluation:

I find that the proposed project could not have a significant effect on the environment and a negative declaration will be prepared. ☐

I find that although the proposed project could have a significant effect on the environment there will not be a significant effect in this case because revisions in the project have been made or agreed to by the project proponent. A mitigated negative declaration will be prepared. ☐

I find that the proposed project may have a significant effect on the environment and an environmental impact report is required. ☐

I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An environmental impact report is required, but it must analyze only the effects that remain to be addressed. ☐

I find that the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier environmental impact report or negative declaration pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or negative declaration, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required. ☐

Pat Lewandowski

	July 21, 2008
Signature	Date
Peter Lewandowski, President	The Nevada Hydro Company, Inc.
Printed Name	Applicant

Evaluation of Environmental Impacts
(Chapter 5 –Environmental Impact Assessment Summary)

Impact	Description	Class I	Class II	Class III	Class IV
	Biological Resources				
B-1	Construction activities would result in temporary and permanent losses of native vegetation.	☐	☐	☐	☐
B-2	Construction activities would result in adverse effects to jurisdictional waters and wetlands through vegetation removal, placement of fill, erosion, sedimentation, and degradation of water quality.	☐	☐	☐	☐
B-3	Construction and operation/maintenance activities would result in the introduction of invasive, non-native, or noxious plant species.	☐	☐	☐	☐
B-4	Construction activities would create dust that would result in degradation of vegetation.	☐	☐	☐	☐
B-5	Construction activities would result in direct or indirect loss of listed or sensitive plants or a direct loss of habitat for listed or sensitive plants.	☐	☐	☐	☐
B-6	Construction, including the use of access roads, would result in disturbance to wildlife and result in wildlife mortality.	☐	☐	☐	☐
B-7	Construction activities would result in direct or indirect loss of listed or sensitive wildlife or a direct loss of habitat for listed or sensitive wildlife (includes Impacts B-7A through B-7O for individual wildlife resources).	☐	☐	☐	☐
B-8	Construction activities would result in a potential loss of nesting birds (violation of the Migratory Bird Treaty Act).	☐	☐	☐	☐
B-9	Construction or operational activities would adversely affect linkages or wildlife movement corridors, the movement of fish, and/or native wildlife nursery sites.	☐	☐	☐	☐
B-10	Presence of transmission lines may result in electrocution of, and/or collisions by, listed or sensitive bird species.	☐	☐	☐	☐
B-11	Presence of transmission lines may result in increased predation of listed and sensitive wildlife species by ravens that nest on transmission towers.	☐	☐	☐	☐
B-12	Maintenance activities would result in disturbance to wildlife and could result in wildlife mortality.	☐	☐	☐	☐
	Visual Resources				
V-S-1	Long-term visibility of land scars in arid and semi-arid landscapes.	☐	☐	☐	☐
V-S-2	Introduction of the switchyard and transmission line structures contrast, industrial character, view blockage, and skylining when viewed from Key Viewpoint L1, on DePalma Frontage Road and southbound I-15 Freeway.	☐	☐	☐	☐
V-S-3	Introduction of structure contrast and industrial character associated with the TE/VS Interconnect, when viewed from Key Viewpoint L2 on Lake Elsinore and the I-15 Freeway.	☐	☐	☐	☐
V-S-4	Inconsistency with USFS Scenic Integrity Objective due to the introduction of transmission line structure contrast, industrial character, view blockage, and skylining when viewed from Key Viewpoint L3, southbound on South Main Divide Road.	☐	☐	☐	☐
V-S-5	Inconsistency with USFS Scenic Integrity Objective due to the introduction of transmission line structure contrast, industrial character, view blockage, skylining, and unnatural vegetative clearing when viewed from Key Viewpoint L4, northbound on South Main Divide Road.	☐	☐	☐	☐
V-S-6	Inconsistency with the USFS Scenic Integrity Objective due to the introduction of transmission line structure contrast, industrial character, view blockage, and skylining when viewed from Key Viewpoint L5, on Ortega Highway.	☐	☐	☐	☐
V-S-7	Inconsistency with the USFS Scenic Integrity Objective due to the introduction of transmission line structure contrast, industrial character, view blockage, and skylining when viewed from Key Viewpoint L6, on Hombre Lane in La Cresta.	☐	☐	☐	☐

Impact	Description	Class I	Class II	Class III	Class IV
V-S-8	Inconsistency with the USFS Scenic Integrity Objective due to the introduction of transmission line structure contrast, industrial character, view blockage, and skylining when viewed from Key Viewpoint L7, at Tenaja Trailhead to San Mateo Canyon Wilderness.	☐	☐	☐	☐
V-S-9	Introduction of structure contrast and industrial character associated with the Talega-Escondido 230-kV transmission line and substations upgrade.	☐	☐	☐	☐
V-S-10	Introduction of structure contrast and industrial character associated with the Pala-Lilac 69-kV subtransmission line upgrade, when viewed from Key Viewpoint L8, at West Lilac Road.	☐	☐	☐	☐
V-S-11	Construction of reservoir and associated facilities on National Forest System lands would cause medium-term visibility of construction activities, equipment, and night lighting and an increase in industrial character.	☐	☐	☐	☐
V-S-12	Short-term visibility of construction activities, equipment and night lighting associated with construction of the powerhouse and transmission lines.	☐	☐	☐	☐
V-S-13	Introduction of structure contrast and industrial character associated with the LEAPS Powerhouse, when viewed from Key Viewpoint L9 on Grand Avenue.	☐	☐	☐	☐
V-S-14	Inconsistency with USFS Scenic Integrity Objective due to long-term visibility of a non-natural landscape feature (reservoir facilities) from Key Viewpoints L3 and L10, on South Main Divide Road and from Key Viewpoint L5, Ortega Highway.	☐	☐	☐	☐
	Land Use and Planning				
L-1	Construction would temporarily disturb land uses at or near the alignment.	☐	☐	☐	☐
L-2	Presence of a transmission line or substation would divide an established community or disrupt land uses at or near the alignment.	☐	☐	☐	☐
	Mineral Resources				
G-2	Unique geologic features would be damaged due to construction activities	☐	☐	☐	☐
	Wilderness and Recreation				
WR-1	Construction activities would temporarily reduce access and visitation to recreation or wilderness areas.	☐	☐	☐	☐
WR-2	Presence of a transmission line or substation would permanently change the character of a recreation area, diminishing its recreational value.	☐	☐	☐	☐
WR-3	Presence of a transmission line would permanently preclude recreational activities.	☐	☐	☐	☐
	Agricultural Resources				
AG-1	Construction activities would temporarily interfere with Active Agricultural Operations.	☐	☐	☐	☐
	Cultural and Paleontological Resources				
C-1	Construction of the project would cause an adverse change to known historic properties.	☐	☐	☐	☐
C-3	Construction of the project would cause an adverse change to unknown significant buried prehistoric and historical archaeological sites or buried Native American human remains.	☐	☐	☐	☐
C-4	Construction of the project would cause an adverse change to Traditional Cultural Properties.	☐	☐	☐	☐
C-5	Operation and long-term presence of the project would cause an adverse change to known historic properties.	☐	☐	☐	☐
C-6	Long-term presence of the project would cause an adverse change to known historic architectural (built environment) resources.	☐	☐	☐	☐
PAL-1	Construction of the transmission line would destroy or disturb significant paleontological resources.	☐	☐	☐	☐

Impact	Description	Class I	Class II	Class III	Class IV
	Noise				
N-1	Construction noise would substantially disturb sensitive receptors and violate local rules, standards, and/or ordinances.	☐	☐	☐	☐
N-2	Construction activity would temporarily cause ground-borne vibration.	☐	☐	☐	☐
N-3	Permanent noise levels would increase due to corona noise from operation of the transmission lines and noise from other project components.	☐	☐	☐	☐
N-4	Routine inspection and maintenance activities would increase ambient noise levels.		☐	☐	
	Transportation and Traffic				
T-1	Construction would cause temporary road and lane closures that would temporarily disrupt traffic flow.	☐	☐	☐	☐
T-2	Construction would temporarily disrupt the operation of emergency service providers.	☐	☐	☐	☐
T-4	Construction would temporarily disrupt pedestrian and/or bicycle movement and safety.	☐	☐	☐	☐
T-5	Construction vehicles and equipment would potentially cause physical damage to roads in the project area.	☐	☐	☐	☐
T-6	Construction activities would cause a temporary disruption to rail traffic or operations.	☐	☐	☐	☐
T-7	Construction would result in the short-term elimination of parking spaces.	☐	☐	☐	☐
T-9	Construction would generate additional traffic on the regional and local roadways.	☐	☐	☐	☐
T-11	Construction of the transmission lines would penetrate airport influence area.	☐	☐	☐	☐
	Public Health and Safety				
P-1	Improper handling and/or storage of hazardous materials during construction could cause soil or groundwater contamination.	☐	☐	☐	☐
P-2	Residual pesticides and/or herbicides could be encountered during grading or excavation in agricultural areas.	☐	☐	☐	☐
P-3	Unanticipated preexisting soil and/or groundwater contamination could be encountered during excavation or grading.	☐	☐	☐	☐
P-4	Areas used by the military may contain unexploded ordnance and could explode and injure workers during construction.	☐	☐	☐	☐
P-5	Soil or groundwater contamination could result from accidental spill or release of hazardous materials during operation and maintenance.	☐	☐	☐	☐
P-6	Herbicides used for vegetation control around towers and other project facilities could result in adverse health effects to the public or maintenance workers.	☐	☐	☐	☐
P-7	Excavation or grading could result in mobilization of existing soil or groundwater contamination from known sites.	☐	☐	☐	☐
P-8	Project construction would result in noxious gas release.	☐	☐	☐	☐
P-9	Project construction would require use of a toxic substance, resulting in public exposure.	☐	☐	☐	☐
P-10	Generation could cause contamination of project waters with hazardous materials.	☐	☐	☐	☐
	Air Quality				
AQ-1	Construction would generate dust and exhaust emissions of criteria pollutants and toxic air contaminants.	☐	☐	☐	☐
AQ-2	Operation, maintenance, and inspections would generate dust and exhaust emissions of criteria pollutants and toxic air contaminants.	☐	☐	☐	☐
AQ-3	Power generated during transmission line operation would cause emissions from power plants.	☐	☐	☐	☐

Impact	Description	Class I	Class II	Class III	Class IV
AQ-4	Project activities would cause a net increase of greenhouse gas emissions.	☐	☐	☐	☐
	Water Resources				
H-1	Construction activity could degrade water quality due to erosion and sedimentation.	☐	☐	☐	☐
H-2	Construction activity could degrade water quality through spills of potentially harmful materials.	☐	☐	☐	☐
H-3	Excavation could degrade groundwater quality in areas of shallow groundwater.	☐	☐	☐	☐
H-5	Creation of new impervious areas could cause increased runoff resulting in flooding or increased erosion downstream.	☐	☐	☐	☐
H-6	Transmission towers or other aboveground project features located in a floodplain or watercourse could result in flooding, flood diversions, or erosion.	☐	☐	☐	☐
H-7	Accidental releases of contaminants from project facilities could degrade water quality.	☐	☐	☐	☐
H-9	Project construction or operation would potentially impact local water supply.	☐	☐	☐	☐
H-10	Project construction would deliver sediment resulting in increased turbidity.	☐	☐	☐	☐
H-11	Project reservoir would capture runoff.	☐	☐	☐	☐
H-12	Project operations could impact the quantity and quality of groundwater recharge.	☐	☐	☐	☐
H-13	Project operations could change water quality parameters.	☐	☐	☐	☐
H-14	Project operations could degrade water quality in San Juan Creek.	☐	☐	☐	☐
H-15	Project operations could result in dam breach and a consequent loss of human life.	☐	☐	☐	☐
	Geology, Soils, and Seismicity				
G-1	Erosion would be triggered or accelerated due to construction activities.	☐	☐	☐	☐
G-3	Project would expose people or structures to potential substantial adverse effects as a result of problematic soils.	☐	☐	☐	☐
G-4	Project would expose people or structures to potential substantial adverse effects as a result of seismically- induced groundshaking and/or ground failure.	☐	☐	☐	☐
G-5	Project would expose people or structures to potential substantial adverse effects as a result of surface fault rupture at crossings of active faults.	☐	☐	☐	☐
G-6	Project would expose people or structures to potential substantial adverse effects as a result of slope instability created during excavation and/or grading.	☐	☐	☐	☐
G-7	Project would expose people or structures to potential substantial adverse effects as a result of landslides, earthflows, debris flows, and/or rockfall.	☐	☐	☐	☐
G-10	Project construction would result in geologic waste material.	☐	☐	☐	☐
	Socioeconomics				
S-1	Project construction and/or transmission line presence would cause a change in revenue for businesses, tribes, or governments.	☐	☐	☐	☐
S-2	Construction would disrupt the existing utility systems or cause a collocation accident.	☐	☐	☐	☐
S-3	Project construction and operation would increase the need for public services and facilities.	☐	☐	☐	☐
S-4	Property tax revenues from project presence would substantially benefit public agencies.	☐	☐	☐	☐
S-5	Presence of the project would decrease property values.	☐	☐	☐	☐

Impact	Description	Class I	Class II	Class III	Class IV
S-1CA	Labor force requirements would create a substantial demand for labor or a change in local employment.	☐	☐	☐	☐
	Public Services and Utilities				
S-2	Construction would disrupt the existing utility systems or cause a collocation accident	☐	☐	☐	☐
S-3	Project construction and operation would increase the need for public services and facilities	☐	☐	☐	☐
	Fuels and Fire Management				
F-1	Construction and/or maintenance activities would significantly increase the probability of a wildfire.	☐	☐	☐	☐
F-2	Presence of the overhead transmission line would significantly increase the probability of a wildfire.	☐	☐	☐	☐
F-3	Presence of the overhead transmission line would reduce the effectiveness of firefighting.	☐	☐	☐	☐
F-4	Project activities would introduce non-native plants which would contribute to an increased ignition potential and rate of fire spread.	☐	☐	☐	☐

1. Significance designations: I - Significant; II - Less than Significant with Mitigation; III - Less than Significant; and IV - No Impact

Source: The Nevada Hydro Company, Inc.

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