

Jeanine Townsend, Clerk of the Board  
State Water Resources Control Board  
1001 "I" Street, 24<sup>th</sup> Floor  
Sacramento, CA 95814



March 30, 2012

Dear Ms. Townsend:

**RE: Comment Letter - Statewide Mercury Policy – CEQA Scoping Comments**

Pacific Gas and Electric Company provides natural gas and electric service to approximately 15 million people throughout a 70,000 square-mile service area in northern and central California.

Our electric generating facilities have a total capacity of approximately 7,400 MWs of which 3,896 MWs are hydro generation. Our hydro generation system, the largest privately held system in the United States, includes 68 powerhouses and 99 reservoirs in the Southern Cascade and northern and central Sierra Nevada mountains.

PG&E supports efforts to ensure the protection of water quality in California and is interested in working collaboratively with the State Water Resources Control Board and Regional Boards to develop a statewide mercury policy that efficiently and effectively addresses water quality concerns. We appreciate the opportunity to provide comments on the Board's CEQA scoping documents.

Below we have highlighted issues that must be addressed in order to develop an effective policy.

**Hydro Generation Operations are not mentioned in Scoping Documents**

The scoping documents, including the matrix of sources, potential responsible parties, and implementation actions, make no specific mention of hydro generation facilities. Yet, 3 of the 92 reservoirs listed as mercury impaired water bodies are associated with PG&E hydro generation operations and many of the other reservoirs are also operated by others for hydro generation. Given that hydro generation accounts for a significant portion of California's electric generation capacity, any potential implementation actions which could affect the operation of hydro generation facilities must be adequately assessed.

**Hydro Generation is not a source of mercury**

It should be clear that hydro generation operations do not introduce mercury into waters. When mercury is found in reservoirs upstream of other sources (e.g. mine activity), the mercury is the result of either runoff from tributaries and/or atmospheric deposition.

### Potential harmful impacts must be thoroughly identified and addressed

The listed reservoirs associated with hydro generation are part of a complex system which is managed through FERC licenses, collaborative agreements, water rights determinations, judicial decrees, and water contracts. In many cases, license conditions and agreements represent years of negotiation by a variety of stakeholders representing a wide range of beneficial water uses including: power generation, drinking water, recreation, fish and wildlife preservation, and agriculture. Implementation actions which would realign water storage and discharge patterns must be very carefully considered. The current structure involves hundreds of individual parties with an enormous range of interests.

Restricting or increasing flows could impact agriculture interests through changes in water availability for irrigation, impact the quantity of water available for consumptive uses, impact recreational activities such as fishing, boating or kayaking, and impact fisheries and wildlife management. The impact of an action to realign water storage and discharge at one reservoir is not limited to the users of that reservoir – it would have impacts on many downstream users as well. Further, these actions would likely require the renegotiation of existing licenses, permits, agreements and contracts.

Additionally, any methods proposed to reduce methylmercury concentrations in reservoirs such as removal of sediment or aeration must be thoroughly assessed to ensure feasibility, cost-effectiveness, and environmental benefit.

### Current 303(d) reservoir listings for mercury should be reviewed

Some of the reservoirs on the SWRCB 303(d) list as impaired for mercury should be reviewed as part of the policy development process. Lake Britton's mercury listing is based on fish tissue data collected in July 2006 (4 of 38 samples exceeded criterion). However, the 38 samples represented 6 different species, so there were very few samples for each species – and therefore it is not clear that the 4 exceedances meet the listing requirement. Additionally, data from the summers of 2000 and 2001 was not considered as part of the listing evaluation and it is not consistent with the data collected in 2006. Further, Lassen National Forest provided comments in 2009 stating that wildfires (2008 Venture Fire) played a role in mercury impairment. Although the State disagreed, we believe that the issue of deposition from wildfires merits further review. Given the lack of consistent data demonstrating mercury impairment and the possibility of natural mercury deposition from wildfires, PG&E recommends that the Lake Britton listing be reconsidered as part of the statewide mercury policy development process.

### Consideration must be given to FERC and DSOD Dam Safety Priorities

FERC license requirements and dam safety requirements require the ability to construct, dredge, and operate low-level outlets. These dam safety operations, such as sluicing and/or dredging, are often required to keep reservoir outlets functional. Any implementation actions must provide for the on-going ability to perform these functions to keep the dams functioning properly and the public safe.

Existing TMDL processes must be considered in any statewide policy

PG&E has been actively working with the SWRCB on various existing mercury TMDL processes (e.g. the American River), and would strongly encourage that current work on those water bodies not be lost due to the new process. Staff mentioned that as part of the Statewide Policy they would also look at developing regulatory standards (“objectives”) for acceptable amounts of mercury in fish with goals to protect human health, wildlife, and threatened and endangered species. These objectives are under development in some of the existing TMDL processes and prior to incorporation into a statewide policy, the objectives should be available for further public comment and discussion.

Fisheries management at PG&E Reservoirs is under direction of CDF&G

PG&E does not directly stock any of its reservoirs. Under various FERC licenses and collaborative agreements, PG&E provides funding to the California Department of Fish and Game and the agency performs all stocking activities. PG&E has no input into the stocking process, including the type of fish. Any implementation actions that regulate the stocking of reservoirs must be directed at those who perform these activities, not necessarily the reservoir owner.

Please contact Rex Bell of my staff at (415) 973-6904 or [RXBD@pge.com](mailto:RXBD@pge.com) should there be any questions.

Sincerely,

Diane Ross-Leech  
Director, Environmental Policy  
Pacific Gas & Electric Company