UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Eagle Crest Energy Company 
Project Nos. 13123-000
12509-001

NOTICE OF SCOPING MEETINGS AND SITE VISIT

(December 17, 2008)

a. Type of Filing: Notice of Intent to File a License Application; Pre-Application Document; and Request to Use the Traditional Licensing Process.

b. Project Nos.: 13123-000 and 12509-001

c. Dated Filed: October 16, 2008

d. Submitted By: Eagle Crest Energy Company (Eagle Crest)

e. Name of Project: Eagle Mountain Pumped Storage Project

f. Location: The Eagle Mountain Project would be located at two depleted mining pits in the Eagle Mountain Mine in Riverside County, California, near the town of Desert Center, California.

g. Filed Pursuant to: 18 CFR Part 5 of the Commission’s Regulations

h. Applicant Contact: Arthur Lowe, Eagle Crest Energy Company, 1 El Paso, Suite 204, Palm Desert, California 92260.

i. FERC Contact: Kim Nguyen (202) 502-6105 or e-mail kim.nguyen@ferc.gov.

j. Eagle Crest filed Pre-Application Document (PAD) and draft License Application (LA) for the Eagle Mountain Pumped Storage Project, including proposed process plan and schedule, with the Commission pursuant to 18 CFR 5.6 of the Commission’s regulations.

1 Previously, the project was given FERC Project No. 12509-001. Upon issuance of a new preliminary permit on August 13, 2008, the project was given FERC Project No. 13123-000.
k. Copies of the PAD, draft LA, and Scoping Document 1 (SD1) are available for review at the Commission in the Public Reference Room or may be viewed on the Commission’s website (http://www.ferc.gov), using the “eLibrary” link. Enter the docket number, excluding the last three digits, in the docket number field to access the document. For assistance, contact FERC Online Support at FERCONlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, (202) 502-8659. The applicant maintains a project website with meeting information www.eaglemountainenergy.net.

Register online at http://ferc.gov/esubscribersnow.htm to be notified via e-mail of new filings and issuances related to these or other pending projects. For assistance, contact FERC Online Support.

l. With this notice, we are soliciting comments on SD1. In addition, all comments on the PAD, draft LA, and SD1, study requests, requests for cooperating agency status, and all communications to Commission staff related to the merits of the potential applications (original and eight copies) must be filed with the Commission at the following address: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426. All filings with the Commission relevant to the Eagle Mountain Hydroelectric Project must include on the first page, the project name and number (P-13123-000), and bear the heading, as appropriate, “Comments on Scoping Document 1.” Any individual or entity interested in commenting on SD1 must do so no later than 60 days from receipt of this notice.

Comments on SD1 and other permissible forms of communications with the Commission may be filed electronically via the Internet in lieu of paper. The Commission strongly encourages electronic filings. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission’s website (http://www.ferc.gov) under the “e-filing” link.

m. At this time, Commission staff intends to prepare an Environmental Impact Statement for the project, in accordance with the National Environmental Policy Act.

n. Scoping Meetings

We will hold two scoping meetings for each project at the times and places noted below. The daytime meetings will focus on resource agency, Indian tribes, and non-governmental organization concerns, while the evening meetings are primarily for receiving input from the public. We invite all interested individuals, organizations, Indian tribes, and agencies to attend one or all of the meetings, and to assist staff in
identifying particular study needs, as well as the scope of environmental issues to be addressed in the environmental document. The times and locations of these meetings are as follows:

**Daytime Scoping Meeting**

- **Date:** January 16, 2009  
- **Time:** 9:00 am  
- **Location:** University of California at Riverside  
  Palm Desert Graduate Center  
  75-080 Frank Sinatra Drive, Room B114/117  
  Palm Desert, California 92211

**Evening Scoping Meeting**

- **Date:** January 15, 2009  
- **Time:** 7:00 pm  
- **Location:** University of California at Riverside  
  Palm Desert Graduate Center,  
  75-080 Frank Sinatra Drive, Room B200  
  Palm Desert, California 92211

SD1, which outlines the subject areas to be addressed in the environmental document, has been mailed to the individuals and entities on the Commission’s mailing list. Copies of SD1 will be available at the scoping meetings, or may be viewed on the web at [http://www.ferc.gov](http://www.ferc.gov), using the “eLibrary” link. Follow the directions for accessing information in paragraph k. Depending on the extent of comments received, a Scoping Document 2 (SD2) may or may not be issued.

**Site Visit**
The applicant will conduct a site visit of the project on January 15, 2009 at 9:00 a.m. Those wishing to participate in the site visit should meet at the University of California at Riverside, Palm Desert Graduate Center, 75-080 Frank Sinatra Drive, Room B200, Palm Desert, California. To appropriately accommodate persons interested in attending the site visit, participants should contact Andrea Oliver with Eagle Crest at (760) 346-4900 or e-mail at aoliver@eaglecrestenergy.com by January 8, 2009.

Scoping Meeting Objectives

At the scoping meetings, staff will: (1) present the proposed list of issues to be addressed in the EA; (2) review and discuss existing conditions and resource agency management objectives; (3) review and discuss existing information and identify preliminary information and study needs; (4) review and discuss the process plan and schedule for pre-filing activity that incorporates the time frames provided for in Part 5 of the Commission’s regulations and, to the extent possible, maximizes coordination of federal, state, and tribal permitting and certification processes; and (5) discuss requests by any federal or state agency or Indian tribe acting as a cooperating agency for development of an environmental document.

Meeting participants should come prepared to discuss their issues and/or concerns. Please review the PAD and draft LA in preparation for the scoping meetings. Directions on how to obtain a copy of the PAD, draft LA, and SD1 are included in item k of this notice.

Scoping Meeting Procedures

The scoping meetings will be recorded by a stenographer and will become part of the formal Commission records for the projects.

Kimberly D. Bose,
Secretary.
OFFICE OF ENERGY PROJECTS

Project No. 13123-000 – California
Eagle Mountain Pumped Storage
Hydroelectric Project
Eagle Crest Energy Company

Subject: Scoping of environmental issues for the licensing of the Eagle Mountain Pumped Storage Hydroelectric Project

To the Parties Addressed:

On January 10, 2008, Eagle Crest Energy Company (Eagle Crest) filed with the Federal Energy Regulatory Commission (Commission) a Notice of Intent to file a license application, a request to use the Traditional Licensing Process, and a Pre-Application Document for the proposed 1,300-megawatt Eagle Mountain Pumped Project.²

The project would be located in two depleted mining pits in the Eagle Mountain Mine in Riverside County, California, near the town of Desert Center, California. The proposed project would occupy federal lands administered by the Bureau of Land Management (BLM) and private lands owned by Kaiser Eagle Mountain, LLC.

On June 16, 2008, Eagle Crest submitted a Draft License Application (DLA). The Commission has reviewed the DLA and provided comments along with many interested stakeholders. These comments can be viewed on the Commission’s website at http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20081015-5009.

On October 17, 2008, Eagle Crest filed a request for approval of an early scoping process to coordinate both federal and California state environmental procedures. The Commission approved this request on October 29, 2008 and will hold early scoping to coordinate the Commission’s National Environmental Policy Act (NEPA) with the State Water Resources Control Board’s California Environmental Quality Act (CEQA).

² Previously, the project was given FERC Project No. 12509-001. Upon issuance of a new preliminary permit on August 13, 2008, the project was given FERC Project No. 13123-000. On March 4, 2008, the Commission approved Eagle Crest’s request to use the TLP.
Based on the comments filed for the DLA and pursuant to NEPA, the Commission staff intends to prepare an Environmental Impact Statement for the project, which will be used by the Commission to determine whether, and under what conditions, to issue new hydropower licenses for the projects. To support and assist our environmental review, we are beginning the public scoping process to ensure that all pertinent issues are identified and analyzed, and that the environmental document is thorough and balanced.

We invite your participation in the scoping process and are circulating the enclosed Scoping Document 1 (SD1) to provide you with information on the project and to solicit comments and suggestions on our preliminary list of issues and alternatives to be addressed in the EIS. Please review this scoping document and, if you wish to provide comments, follow the instructions included in section 5.0.

As part of our scoping process and in an effort to identify issues, concerns, and opportunities associated with the proposed action, we will hold two scoping meetings on Thursday and Friday, January 15 and 16, 2009, to receive input on the scope of the EIS. A daytime meeting on Friday focused on resource agencies, Indian tribes, and non-governmental organizations (NGO’s), will begin at 9:00 a.m. An evening meeting on Thursday, primarily for the public, will start at 7:00 p.m. Both meetings will be held at the University of California at Riverside, University of California at Riverside, Palm Desert Graduate Center, 75-080 Frank Sinatra Drive, Palm Desert, California. The public, agencies, Indian tribes, and NGOs may attend either or both meetings.

Further, the Eagle Crest and Commission staff will conduct a site visit of the project on Thursday, January 15, 2009, starting at 9:00 a.m. Those wishing to participate should meet at the University of California at Riverside, University of California at Riverside, Palm Desert Graduate Center, 75-080 Frank Sinatra Drive, Room B200, Palm Desert, California. To appropriately accommodate persons interested in attending the site visit, participants should contact Andrea Oliver with Eagle Crest by January 8, 2009 at (760) 346-4900 or e-mail at aoliver@eaglecrestenergy.com. More information about the scoping meetings and site visit is available in the scoping document.

The SD1 is being distributed to the Commission’s official mailing list (see section 9.0). If you wish to be added to or removed from the Commission’s official mailing list, please send your request by mail to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Room 1A, Washington, DC 20426. All written, electronic filings, or e-mailed requests must specify your wish to be removed or added to the mailing list and must clearly identify the following on the first page: Eagle Mountain Pumped Storage Project No. 13123-000. For assistance with electronic filing or e-mail notification registration, please refer to the instructions in section 5.0 of the scoping document.
For any questions about the SD1, the scoping process, or how Commission staff will develop the EIS for this project, please contact Kim Nguyen at (202) 502-6105 or e-mail at kim.nguyen@ferc.gov. Any questions concerning CEQA, the water quality certification, and the California water rights process should be directed to Camilla Williams at (916) 327-4807 or email at CKWilliams@waterboards.ca.gov. Additional information about the Commission’s licensing process and the Eagle Mountain Project may be obtained from our website, http://www.ferc.gov.

Enclosure: Scoping Document 1

cc: Mailing List
    Public Files
NEPA SCOPING DOCUMENT 1

and

CEQA NOTICE OF PREPARATION

EAGLE MOUNTAIN PUMPED STORAGE HYDROELECTRIC PROJECT

CALIFORNIA

FERC PROJECT NO. 13123-000

State of California
Environmental Protection Agency
State Water Resources Control Board

Federal Energy Regulatory Commission
Office of Energy Projects
Division of Hydropower Licensing
Washington, DC

December 2008
# TABLE OF CONTENTS

1.0 INTRODUCTION ..................................................................................................... 4

2.0 SCOPING ................................................................................................................ i
   2.1 Purposes of Scoping ............................................................................................. i
   2.2 Comments and Scoping Meetings ..................................................................... ii

3.0 PROPOSED ACTION AND ALTERNATIVES .................................................... iv
   3.1 Eagle Crest Energy Company’s Proposed Action ........................................... iv
      3.1.1 Proposed Project Facilities ................................................................ iv
      3.1.2 Proposed Project Operation ................................................................ iv
      3.1.3 Proposed Studies ...................................................................................... v
   3.2 Alternatives to the Proposed Action ............................................................... vi
   3.3 No Action Alternative ..................................................................................... vi
   3.4 Alternatives Considered but Eliminated from Detailed Study ....................... vi

4.0 SCOPE OF CUMULATIVE EFFECTS AND RESOURCE ISSUES ................... vi
   4.1 Cumulative Effects ......................................................................................... vi
      4.1.1 Resources That Could Be Cumulatively Affected ..................................... vi
      4.1.2 Geographic Scope .................................................................................... vii
      4.1.3 Temporal Scope ...................................................................................... vii
   4.2 Resource Issues .............................................................................................. vii
      4.2.1 Geology and Soils Resources ................................................................ viii
      4.2.2 Water Resources ..................................................................................... viii
      4.2.3 Aquatic Resources .................................................................................. viii
      4.2.4 Terrestrial Resources ............................................................................. viii
      4.2.5 Threatened and Endangered Species ...................................................... ix
      4.2.6 Recreation and Land Use ....................................................................... ix
      4.2.7 Cultural Resources .................................................................................. ix
      4.2.8 Aesthetic Resources .............................................................................. ix
      4.2.9 Socioeconomics ..................................................................................... x
      4.2.10 Air Quality ........................................................................................... x
      4.2.11 Developmental Resources .................................................................... x

5.0 REQUEST FOR INFORMATION .......................................................................... x

6.0 EIS PREPARATION SCHEDULE ....................................................................... xii

7.0 EIR PREPARATION SCHEDULE ..................................................................... xii

8.0 EIS OUTLINE ...................................................................................................... xiii

9.0 LIST OF COMPREHENSIVE PLANS ............................................................... xv

10.0 MAILING LIST .................................................................................................. xvi
<table>
<thead>
<tr>
<th>ACRONYMS AND ABBREVIATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>APE</td>
</tr>
<tr>
<td>BLM</td>
</tr>
<tr>
<td>CEQA</td>
</tr>
<tr>
<td>Commission</td>
</tr>
<tr>
<td>DLA</td>
</tr>
<tr>
<td>Eagle Crest</td>
</tr>
<tr>
<td>EIR</td>
</tr>
<tr>
<td>EIS</td>
</tr>
<tr>
<td>ESA</td>
</tr>
<tr>
<td>FPA</td>
</tr>
<tr>
<td>HPMP</td>
</tr>
<tr>
<td>Joshua Tree NP</td>
</tr>
<tr>
<td>MW</td>
</tr>
<tr>
<td>NEPA</td>
</tr>
<tr>
<td>NGO</td>
</tr>
<tr>
<td>PAD</td>
</tr>
<tr>
<td>Project</td>
</tr>
<tr>
<td>SHPO</td>
</tr>
<tr>
<td>Water Board</td>
</tr>
</tbody>
</table>
INTRODUCTION

The Federal Energy Regulatory Commission (Commission), under the authority of the Federal Power Act (FPA), may issue licenses for terms ranging from 30 to 50 years for the construction, operation, and maintenance of non-federal hydroelectric projects. On January 10, 2008, Eagle Crest Energy Company (Eagle Crest) filed a Notice of Intent to file a license application, a request to use the Traditional Licensing Process, and a Pre-Application Document (PAD) for the proposed 1,300-megawatt (MW) Eagle Mountain Pumped Project.

The project would be located in two depleted mining pits in the Eagle Mountain Mine in Riverside County, California, near the town of Desert Center, California. See Figure 1. The proposed project would occupy federal lands administered by the Bureau of Land Management (BLM) and private lands owned by Kaiser Eagle Mountain, LLC.

Following the submission of the PAD, there was a 60-day comment period when interested stakeholders were invited to submit requests for additional studies. In addition, a joint meeting and site visit was held on April 9 and 10, 2008. Transcripts from the joint meeting are available on the Commission’s website at www.ferc.gov.

On June 16, 2008, Eagle Crest submitted a Draft License Application (DLA) to the Commission. Comments on this DLA were filed by many interested stakeholders and can be viewed on the Commission’s website at http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20081015-5009.

On September 26, 2008, Eagle Crest applied to the State Water Resources Control Board (Water Board) for water quality certification under section 401 of the Clean Water Act. For purposes of the California Environmental Quality Act (CEQA), the Water Board will be the California state lead agency for the preparation of an Environmental Impact Report (EIR) for California public agency approvals relating to environmental impacts associated with the proposed licensing of the project. On October 15, 2008, the Water Board determined that the application met the requirements for a complete application and was acceptable for processing.

---


4 Previously, the project was given FERC Project No. 12509-001. Upon issuance of a new preliminary permit on August 13, 2008, the project was given FERC Project No. 13123-000. On March 4, 2008, the Commission approved Eagle Crest’s request to use the TLP.
EAGLE MOUNTAIN PUMPED STORAGE PROJECT

Figure 1. Location of the Eagle Mountain Pumped Storage Project (Source: Eagle Crest Energy Company, 2008).
The National Environmental Policy Act (NEPA) of 1969, the Commission’s regulations, and other applicable laws require that we independently evaluate the environmental effects of licensing the project as proposed, as well as consider reasonable alternatives to the proposed action. At this time, we intend to prepare a draft and final Environmental Impact Statement (EIS) that describes and evaluates the probable impacts, including an assessment of the site-specific and cumulative effects, if any, of the proposed action and alternatives considered. This scoping process will help the Commission and Water Board staff to identify the pertinent issues for analysis in the EIS and EIR.

**SCOPING**

This scoping document is intended to advise all participants about the proposed scope of the EIS and EIR and to seek additional information pertinent to this analysis. This document contains: (1) a description of the scoping process and schedule for developing the EIS and EIR; (2) a description of the proposed action and alternatives; (3) a preliminary identification of environmental issues; (4) a request for comments and information; (5) proposed EIS and EIR outlines; and (6) a preliminary list of comprehensive plans that may be applicable to the project.

**14.1 Purposes of Scoping**

Scoping is the process used to identify issues, concerns, and opportunities for protection or mitigation associated with a proposed action. The process should be conducted early in the planning stage of a project.

The purposes of the scoping process are as follows:

- Invite participation of federal, state, and local resource agencies; Indian tribes; non-governmental organizations (NGOs); and the public to help identify significant environmental and socioeconomic issues related to the proposed action.

- Determine the resource areas, depth of analysis, and significance of issues to be addressed in the EIS and EIR.

- Identify how the project would or would not contribute to cumulative impacts in the project area.

- Identify reasonable alternatives to the proposed action that should be evaluated in the EIS and EIR.

---

• Solicit from participants available information on the resources at issue.

• Determine the resource areas and potential issues that do no require detailed analysis during review of the project.

14.2 Comments and Scoping Meetings

Between now and the Commission’s decision on the proposed project and the Water Board’s notice of determination, there will be several opportunities for the public, resource agencies, Indian tribes, and NGOs to provide input. These opportunities occur:

• During the public scoping process, prior to preparation of the draft EIS and draft EIR, so Commission and Water Board staff can receive written comments regarding scope of the issues and analysis for the EIS and EIR.

• In response to the Commission’s ready for environmental analysis notice when we solicit comments, recommendations, terms, conditions, and prescriptions for the proposed project.

• After issuance of the Draft EIS and Draft EIR with draft 401 water quality certification, so that staff can receive written comments.

In addition to written comments solicited by this scoping document, the Commission and the Water Board staff will hold two public scoping meetings in the vicinity of the project. A daytime meeting will focus on concerns of the resource agencies, Indian tribes, and NGOs and an evening meeting will focus on receiving input from the public. We invite all interested agencies, Indian tribes, NGOs, and individuals to attend one or both of the meetings to assist staff in identifying environmental issues that should be analyzed in the EIS and EIR. The times and locations of the meetings are listed below.

**Daytime Scoping Meeting**

Date: January 16, 2009
Time: 9:00 am
Location: University of California at Riverside
Palm Desert Graduate Center
75-080 Frank Sinatra Drive, Room B114/117
Palm Desert, California 92211
Evening Scoping Meeting

Date: January 15, 2009
Time: 7:00 pm
Location: University of California at Riverside
Palm Desert Graduate Center,
75-080 Frank Sinatra Drive, Room B200
Palm Desert, California 92211

The scoping meetings will be recorded by a court reporter, and both written and verbal statements will become part of the Commission’s and the Water Board’s public records for the project. Individuals presenting statements at the meetings will be asked to clearly identify themselves for the record. Interested entities who choose not to speak or who are unable to attend any of the scoping meetings may provide written comments and information to the Commission and the Water Board as described in section 5.0 of this scoping document. These meetings will be posted on the Commission’s calendar, located on the internet at http://www.ferc.gov/EventCalendar/EventsList.aspx, along with other related information. In addition, the applicant maintains a project website with meeting information www.eaglemountainenergy.net.

Meeting participants are encouraged to come to the scoping meetings prepared to discuss their issues and/or concerns as they pertain to licensing the project. To prepare for the scoping meetings, participants are asked to please review the DLA. A copy of the DLA is available for review at the Commission in the Public Reference Room or may be viewed on the Commission’s website (http://www.ferc.gov), using the “eLibrary” link. Enter the docket number, P-13123, to access the document. Contact FERC Online Support at FERCOntlineSupport@FERC.gov, call toll free at 866-208-3676, or TTY, 202-502-8659 for assistance.

The applicant will conduct a site visit of the project on January 15, 2009 at 9:00 a.m. Those wishing to participate in the site visit should meet at the University of California at Riverside, Palm Desert Graduate Center, 75-080 Frank Sinatra Drive, Room B200, Palm Desert, California. To appropriately accommodate persons interested in attending the site visit, participants should contact Andrea Oliver with Eagle Crest at (760) 346-4900 or e-mail at aoliver@eaglecrestenergy.com by January 8, 2009.

Following the scoping meetings and comment period, all issues raised will be reviewed and decisions will be made about the level of analysis needed. If preliminary analysis shows that any issues presented in this scoping document have little potential for causing significant effects, the issue(s) will be identified and the reasons for not providing a more detailed analysis will be given in the EIS and EIR.
If the Commission receives no substantive comments on this scoping document, then the Commission will not prepare a Scoping Document 2 (SD2). We will so notify participants by letter. If the Commission issues an SD2, it will be for informational use only and will not require a response from any participant in the process.

**PROPOSED ACTION AND ALTERNATIVES**

In accordance with NEPA and CEQA, our environmental analysis will consider the following alternatives, at a minimum: (1) the applicant’s proposed action; (2) alternatives to the proposed action; and (3) no-action.

**14.3 Eagle Crest Energy Company’s Proposed Action**

Eagle Crest is seeking an original license to construct and operate the Eagle Mountain Pumped Storage Project. The Commission will consider whether, and under what conditions, to issue an original license for the project. The Water Board will consider whether, and under what conditions, to issue water quality certification for the project.

**14.3.1 Proposed Project Facilities**

The proposed project would be a pumped storage project using two existing mining pits near the town of Eagle Mountain, California. Water would be pumped from a lower pit/reservoir to an upper pit/reservoir during periods of low demand to generate peak energy during periods of high demand. To obtain the needed storage volume at the existing upper pit, two dams would be constructed along its perimeter. The lower pit has enough storage volume, so no dams would be needed. The project would consist of the following facilities: (1) two roller-compacted dams at the upper reservoir at heights of 60- and 120-foot; (2) an upper reservoir with capacity of 20,000 acre-feet; (3) a lower reservoir with capacity of 21,900 acre-feet; (4) inlet/outlet structures; (5) water conveyance tunnels consisting of 4,000-foot-long by 29-foot-diameter upper tunnel, 1,390-foot-long by 29-foot-diameter shaft, 1,560-foot-long by 29-foot-diameter lower tunnel, four 500-foot-long by 15-foot-diameter penstocks leading to the powerhouse, 6,835-foot-long by 33-foot-diameter tailrace tunnel to the lower reservoir; (6) surge control facilities; (7) a 72-foot-wide, 150-foot-high, and 360-foot-long underground powerhouse with 4 Francis-type turbine units; (8) a 50.5-miles, 500-kilovolt transmission line; (9) water supply facilities including a reverse osmosis system; (10) access roads; and (11) appurtenant facilities.

Eagle Crest is proposing to initially fill the reservoirs with either water from wells in the nearby Chuckwalla Basin or from surface water purchased from willing sellers elsewhere and transferred to the project through the Colorado River Aqueduct. Reservoir losses would be replaced by water from the nearby wells.

**14.3.2 Proposed Project Operation**
The project would use off-peak energy to pump water from the lower reservoir to the upper reservoir during periods of low electrical demand and generate valuable peak energy by passing the water from the upper to the lower reservoir through the generating units during periods of high electrical demand. The low demand periods are expected to be during weekday nights and throughout the weekend, and the high demand periods are expected to be in the daytime during week days, especially during the summer months. The project would provide an economical supply of peaking capacity, as well as load following, system regulation through spinning reserve\(^6\), and immediately available standby generating capacity.

The proposed energy storage volume would allow for operation of the project at full capacity for 9 hours each weekday, with 8 hours of pumping each weekday night and additional pumping during the weekend to fully recharge the upper reservoir. The amount of active storage in the upper reservoir would be 17,700 acre-feet, providing 18.5 hours of energy storage at the maximum generating discharge. Water stored in the upper reservoir would provide approximately 22,200 megawatt-hours of on-peak generation.

\(14.3.3\) Proposed Studies

Based on comments received on the DLA, Eagle Crest has identified the following additional information and studies that will be needed prior to license issuance:

**Water Resources**

- Location of wells for groundwater supply
- Best management practices for construction spoils
- Assessment of potential impacts to the Colorado River Aqueduct
- Assessment of potential seepage from the former mine pits and the brine pond
- Assessment of potential ground subsidence from groundwater pumping

**Wildlife Resources**

- Surveys of special status species along linear and non-linear features
- Construction and operation mitigation measures for wildlife and sensitive status species

**Cultural Resources**

- Cultural resource inventory of linear features and project area
- Consultation - Historic Properties Management Plan
- Identify locations requiring additional cultural resource surveys

---

\(^6\) Spinning reserve are used to quickly replace lost electrical generation resulting from a forced outage, such as the sudden loss of a major transmission line or generating unit.
3.2 Alternatives to the Proposed Action

The Commission and the Water Board staff will consider and assess various alternatives, including environmental measures not proposed by Eagle Crest. We will consider and assess all alternative recommendations for operational or facility modifications, as well as protection, mitigation, and enhancement measures identified by the Commission staff, Water Board staff, the resource agencies, Indian tribes, NGOs, and the public. To the extent that modifications would reduce power production from the project, the Commission and the Water Board staffs will evaluate the costs of providing an equivalent amount of fossil-fueled power generation, and the contributions of such generation to airborne pollution. Water Board staff will also evaluate necessary changes to existing appropriated water rights if surface water must be used to augment groundwater stored in the reservoirs.

3.3 No Action Alternative

Under the no-action alternative, the effects of a non-construction scenario are analyzed.

3.4 Alternatives Considered but Eliminated from Detailed Study

At present, neither the Commission nor the Water Board staff proposes to eliminate any specific alternatives from detailed and comprehensive analyses in the EIS or EIR.

SCAPE OF CUMULATIVE EFFECTS AND RESOURCE ISSUES

14.4 Cumulative Effects

According to the Council on Environmental Quality's regulations for implementing NEPA (40 CFR section 1508.7), a cumulative effect is an impact on the environment resulting from the incremental impacts of the action when added to other past, present and reasonably foreseeable future actions, regardless of what agency or person undertakes such other actions. Cumulative effects can result from individually minor but collectively significant actions taking place over a period of time, including hydropower and other land and water development activities.

Under CEQA, a cumulative impact refers to two or more individual effects, which, when considered together, are considerable or which compound or increase other environmental impacts (Cal. Code Regs., tit. 14, § 15355.).

14.4.1 Resources That Could Be Cumulatively Affected
We have reviewed the information provided in the DLA developed for the Eagle Mountain Pumped Storage Project. Based on our preliminary analysis of the DLA, we have identified water resources, desert big horn sheep and desert tortoise, land use, and air quality as resources that could be cumulatively affected by the proposed Eagle Mountain Pumped Storage Project in combination with other activities in the Colorado River Basin.

14.4.2 Geographic Scope

The geographic scope of the analysis defines the physical limits or boundaries of the proposed action’s effect on the resources. Because the proposed action would affect the resources differently, the geographic scope for each resource may vary. For each resource that participants recommend we analyze for cumulative effects, we are also asking them to recommend an appropriate geographic scope.

At this time, we propose the geographic scope for water resources to be the Chuckwalla Valley Aquifer. This geographic scope was selected because the groundwater to be used for this project, as well as other reasonably foreseeable projects, would be withdrawn from this aquifer. The geographic scope for the cumulative effects analysis on the desert big horn sheep, desert tortoise, land use, and air quality would be the Chuckwalla Valley and I-10 corridor east to Blythe, California. This geographic scope was selected because construction traffic, noise, air emissions, and loss/alteration of desert habitats associated with the development of this project and the proposed Eagle Mountain landfill and area wind farms, would cumulatively affect these resources within the Chuckwalla Valley.

14.4.3 Temporal Scope

The temporal scope of our cumulative effects analysis in the EIS and EIR will include a discussion of past, present, and future actions and their respective effects on each resource. Based on the potential term of an original license, the temporal scope will look 30 to 50 years into the future, concentrating on the effect to the resources from reasonably foreseeable future actions. The historical discussion will be limited, by necessity, to the amount of available information for each resource.

14.5 Resource Issues

In this section, we present a preliminary list of environmental issues and concerns to be addressed in the EIS and EIR. This list is not intended to be exhaustive or final, but is an initial listing of issues we have identified to date associated with licensing the project. We may modify or add to the list of issues based on comments received during scoping. After scoping is completed, we will review this list and determine the appropriate level of analysis needed to address each issue in the EIS and EIR. For convenience, the issues have been listed by resource
area. Those issues identified by an asterisk (*) will be analyzed for both cumulative and site-specific effects.

14.5.1 Geology and Soils Resources

- Effects of project construction on geology and soils resources.
- Effects of project construction on soil erosion and sedimentation.

14.5.2 Water Resources*

- Effect of reservoir seepage on groundwater levels.
- Effects of groundwater pumping on other water users in the Chuckwalla Valley, including agricultural water users.
- Effects of seepage from the reservoirs on groundwater quality.
- Effects of the brine ponds on groundwater quality.
- Effects on long term water quality in the reservoirs.
- Effects of construction activities on water quality in the project area.

14.5.3 Aquatic Resources

- No issues associated with aquatic resources have been identified.

14.5.4 Terrestrial Resources

- Effects of the reservoirs as a rare water source in the desert environment on the attraction of waterfowl and bats, attraction of predators (e.g., coyotes, badge, and ravens), and establishment and composition of riparian communities.
- Effects of project construction (i.e., disturbance and habitat fragmentation) and operation (i.e., lighting, physical and noise disturbance, and migration barriers) on desert bighorn sheep migration patterns, foraging habitat, and breeding and lambing behavior; what would be consequences to desert bighorn sheep populations in the area.*
- Potential effects of the project’s reservoirs on deer, big horn sheep, and desert tortoise drowning in the reservoirs, and escaping from area fencing.
- Effects of the brine ponds on birds; what measures would be implemented to minimize adverse effects.
- Effects of project construction and operation, including, but not limited to, construction of the access roads, water pipeline, transmission line, powerhouse, brine ponds and reservoirs, staging areas, transmission line pulling areas, and waste spoil and salt disposal sites on vegetation.
- Effects of project construction and operation on the spread of invasive species including the consequences of the spread of noxious weeds on vegetation species composition and wildlife habitat values.
• Effects of project construction and operation on special status species, including BLM sensitive species and state threatened and endangered species.

14.5.5 Threatened and Endangered Species

• Effect of project construction and operation on federally threatened and endangered species: (1) desert tortoise and its critical habitat, (2) Coachella Valley milkweath.*

14.5.6 Recreation and Land Use

• Effects of project construction and operation on recreational use within the project area, including lands administered by the BLM for dispersed recreational use and, at the Joshua Tree National Park (Joshua Tree NP).
• Effects of project construction and operation on special designated areas, including BLM’s Chuckwalla Valley Dune Thicket Area of Critical Environmental Concern, and Chuckwalla Critical Habitat Unit (an area designated by the U.S. Fish and Wildlife Service as desert tortoise habitat).*
• Effects of project construction and operation on other land uses, including future mineral development, and a 14,784-acre, 500-MW solar farm.*
• Effects of project construction and operation on the proposed Eagle Mountain Landfill and Recycling Center.7*
• Effects of project-related desalinization ponds (from the reverse osmosis system) and associated removal of an estimated 2,500 tons of salt from the upper reservoir on land use.

14.5.7 Cultural Resources

• Effects of construction and operation of the proposed project on historic, archeological, and traditional resources that may be eligible for inclusion in the National Register of Historic Places.
• Effects of project’s construction and operation on the project’s defined area of potential effects.

14.5.8 Aesthetic Resources

• Effects of proposed project facilities on visitors who view the landscape (i.e., Riverside County has designated the section of Interstate 10 from Desert Center to Blythe as a scenic corridor).
• Effects of project construction and associated noise on visitors to the area, including the Joshua Tree NP.

---

7 By letter filed September 12, 2008, Kaiser Eagle Mountain, LLC and Mine Reclamation, LLC state that the landfill facility would be designed to dispose up to 708 million tons of municipal solid waste materials.
14.5.9 Socioeconomics

- Effects of increased traffic and potential congestion on local roads due to existing mining-related traffic, and project construction and operation.
- Effects of the proposed project on local, tribal, and regional economies.

4.2.10 Air Quality

- Effects of construction and operation of the project on air quality in the region.
- Effects of the project on carbon production emissions.

4.2.11 Developmental Resources

- Effects of the proposed project and alternatives, including any protection, mitigation, and enhancement measures, on economics of the project.

REQUEST FOR INFORMATION

The Commission and Water Board staff are asking federal, state, and local resource agencies, Indian tribes, NGOs, and individuals to forward to the Commission and the Water Board any information that will assist us in conducting an accurate and thorough analysis of the project-specific and cumulative effects associated with the proposed Eagle Mountain Pumped Storage Project. The types of requested information include, but are not limited to:

- Information, quantitative data, or professional opinions that may help define the geographic and temporal scope of the analysis (both site-specific and cumulative effects), and that helps identify significant environmental issues.

- Identification of, and information from, any other EA, EIS, or similar environmental study (previous, ongoing, or planned) relevant to the proposed licensing of the project.

- Existing information and any data that would help to describe the past, present, and future actions and effects of the project and other developmental activities on environmental and socioeconomic resources.

- Information that would help characterize the existing environmental conditions and habitats.

- Identification of any federal, state, or local resource plans, and any future project proposals in the affected resource area (e.g., proposals to construct or operate water treatment facilities, recreation areas, water diversions, timber harvest activities, or fish management programs) along with any implementation schedules.
• Documentation that the proposed project would or would not contribute to cumulative adverse or beneficial effects on any resources. Documentation can include, but not need be limited to, how the project would interact with other projects in the area and other developmental activities; study results; resource management policies; and reports from federal, state, and local agencies.

• Documentation showing why any resources should be excluded from further consideration.

The requested information and comments on SD1 should be submitted in writing to the Commission and the Water Board no later than 60 days from receipt of this notice. All written filings pertaining to the proposed Eagle Mountain Pumped Storage Project must clearly identify the following on the first page: **Eagle Mountain Pumped Storage Project (P-13123-000)**. All information, comments, and study requests should be sent to:

- Kimberly D. Bose, Secretary
  Federal Energy Regulatory Commission
  888 First Street, N.E., Room 1A
  Washington, DC 20426
  and

- Camilla Williams
  Division of Water Rights
  State Water Resources Control Board
  1001 I Street, 14th Floor
  Sacramento, CA 95814

All filings sent to the Secretary of the Commission should contain an original and eight copies. Failure to file an original and eight copies may result in appropriate staff not receiving the benefit of your comments in a timely manner. Scoping comments may be filed electronically via the Internet in lieu of paper. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission’s website (http://www.ferc.gov) under the “efiling” link. For assistance, please contact FERC Online Support at FERCOntlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY (202) 502-8659. The Commission strongly encourages electronic filings.

Register online at [http://www.ferc.gov/esubscribenow.htm](http://www.ferc.gov/esubscribenow.htm) to be notified via e-mail of new filings and issuances related to this or other pending projects. For assistance, please contact FERC Online Support.

Any questions concerning the scoping meetings, site visits, or how to file written comments with the Commission should be directed to Kim Nguyen at (202) 502-6105 or by email at kim.nguyen@ferc.gov. Any questions concerning CEQA, the water quality certification, and the California water rights process should be directed to Camilla Williams at
EIS PREPARATION SCHEDULE

At this time, the Commission staff anticipates the need to prepare a draft and final EIS. The draft EIS will be sent to all persons and entities on the Commission’s service and mailing lists for the Eagle Mountain Pumped Storage Project. The draft EIS will include our recommendations for operating procedures, as well as environmental protection, mitigation and enhancement measures that should be part of any license issued by the Commission. All recipients will have 60 days to review the draft EIS and file written comments with the Commission. All comments on the draft EIS filed with the Commission will be considered in the preparation of the final EIS.

The major milestones, including those for preparing the EIS, are as follows:

<table>
<thead>
<tr>
<th>Major Milestone</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scoping Document 1 (SD1) and meetings</td>
<td>January 2009</td>
</tr>
<tr>
<td>Comments on SD1</td>
<td>February 2009</td>
</tr>
<tr>
<td>Scoping Document 2 (if necessary)</td>
<td>March 2009</td>
</tr>
<tr>
<td>APEA &amp; License Application Filed</td>
<td>March 2009</td>
</tr>
<tr>
<td>Issue Ready for Environmental Analysis Notice</td>
<td>June 2009</td>
</tr>
<tr>
<td>Deadline for Filing Comments, Recommendations, and Agency Terms and Conditions/Prescriptions</td>
<td>August 2009</td>
</tr>
<tr>
<td>Reply Comments from Applicant</td>
<td>December 2009</td>
</tr>
<tr>
<td>Draft EIS Issued</td>
<td>July 2010</td>
</tr>
<tr>
<td>Comments on the draft EIS due</td>
<td>September 2010</td>
</tr>
<tr>
<td>Final EIS Issued</td>
<td>April 2010</td>
</tr>
</tbody>
</table>

If Commission staff determines that there is a need for additional information or additional studies, the issuance of the Ready for Environmental Analysis notice could be delayed. If this occurs, all subsequent milestones would be delayed by the time allowed for Eagle Crest to respond to the Commission’s request.

EIR PREPARATION SCHEDULE

At this time, the Water Board anticipates the need to prepare a draft and final EIR. The draft EIR will be made publically available for review and comment. The draft EIR will define
the baseline environmental setting, will include findings for significant environmental impacts, and will provide an analysis of feasible mitigation or alternatives to avoid significant environmental impacts. Recipients will have 45 days to provide the Water Board with written comments on the draft EIR. All comments filed with the Water Board on the draft EIR will be considered, and as appropriate, incorporated into the analysis for the final EIR. The final EIR will be considered in any Water Board notice of determination and water quality certification.

The Water Board preliminary schedule for preparing the EIR and making a certification decision is as follows:

<table>
<thead>
<tr>
<th>Action</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for water quality certification</td>
<td>September 2008</td>
</tr>
<tr>
<td>Water Board determination that application for water quality certification is complete</td>
<td>October 2008</td>
</tr>
<tr>
<td>Release Notice of Preparation</td>
<td>November 2008</td>
</tr>
<tr>
<td>Scoping Meetings</td>
<td>January 2008</td>
</tr>
<tr>
<td>Submit Applicant Prepared EIR</td>
<td>March 2009</td>
</tr>
<tr>
<td>Draft EIR and draft water quality certification issued</td>
<td>May 2009</td>
</tr>
<tr>
<td>Comments on draft EIR and draft water quality certification due</td>
<td>July 2009</td>
</tr>
<tr>
<td>Final EIR and final water quality certification</td>
<td>September 2009</td>
</tr>
<tr>
<td>Notice of Determination</td>
<td>September 2009</td>
</tr>
</tbody>
</table>

**EIS OUTLINE**

The preliminary outline for the Eagle Mountain Pumped Storage Project EIS is as follows. The EIR will follow a similar outline, but adapted to address specific requirements of CEQA.

COVER SHEET
FOREWORD
TABLE OF CONTENTS
LIST OF FIGURES
LIST OF TABLES
ACRONYMS AND ABBREVIATIONS
EXECUTIVE SUMMARY

I. INTRODUCTION
   1.1 Application
   1.2 Purpose of Action and Need for Power
   1.3 Statutory and Regulatory Requirements
      1.3.1 Federal Power Act
1.3.1.1 Section 18 Fishway Prescriptions
1.3.1.2 Section 4(e) Conditions
1.3.1.3 Section 10(j) Conditions
1.3.2 Clean Water Act
1.3.3 Endangered Species Act
1.3.4 Coastal Zone Management Act
1.3.5 National Historic Preservation Act

1.4 Public Review and Comment
   1.4.1 Scoping
   1.4.2 Interventions
   1.4.3 Comments on the Application
   1.4.4 Comments on Draft EIS

II. PROPOSED ACTION AND ALTERNATIVES
   2.1 No-action Alternative
   2.2 Proposed Action
      2.2.1 Proposed Project Facilities
      2.2.2 Project Safety
      2.2.3 Proposed Project Operation
      2.2.4 Proposed Environmental Measures
      2.2.5 Modifications to Applicant’s Proposal – Mandatory Conditions
   2.3 Staff Alternative
   2.4 Staff Alternative with Mandatory Conditions
   2.5 Other Alternatives

III. ENVIRONMENTAL ANALYSIS
   3.1 General Description of the River Basin
   3.2 Scope of Cumulative Effects Analysis
      3.2.1 Geographic Scope
      3.2.2 Temporal Scope
   3.3 Proposed Action and Action Alternatives
      3.3.1 Geologic and Soil Resources
      3.3.2 Water Resources
      3.3.3 Aquatic Resources
      3.3.4 Terrestrial Resources
      3.3.5 Threatened and Endangered Species
      3.3.6 Recreation and Land Use
      3.3.7 Cultural Resources
      3.3.8 Aesthetic Resources
      3.3.9 Socioeconomics
   3.4 No-action Alternative

IV. DEVELOPMENTAL ANALYSIS
   4.1 Power and Economic Benefits of the Project
   4.2 Comparison of Alternatives
4.3 Cost of Environmental Measures

V. CONCLUSIONS AND RECOMMENDATIONS

5.1 Comparison of Alternatives
5.2 Comprehensive Development and Recommended Alternative
5.3 Unavoidable Adverse Effects
5.4 Recommendations of Fish and Wildlife Agencies
5.5 Consistency with Comprehensive Plans

VI. LITERATURE CITED

VII. LIST OF PREPARERS
VIII. LIST OF RECIPIENTS
IX. CONSULTATION DOCUMENTATION

APPENDICES

LIST OF COMPREHENSIVE PLANS

Section 10(a)(2) of the FPA, 16 U.S.C. section 803(a)(2)(A), requires the Commission to consider the extent to which a proposed project is consistent with federal or state comprehensive plans for improving, developing, or conserving a waterway or waterways affected by a project. The Commission staff has preliminary identified and reviewed the plans listed below that may be relevant to the proposed Eagle Mountain Pumped Storage Project. The Commission asks agencies to review this list and inform the Commission staff of any changes. If there are other comprehensive plans that should be considered for this list that are not on file with the Commission or if there are more recent versions of the plans already listed, they can be filed for consideration with the Commission according to 18 CFR 2.19 of the Commission’s regulations. Please follow the instructions for filing a plan at http://www.ferc.gov/industries/hydrpower/gen-info/complan.pdf.

The following is a list of comprehensive plans currently on file with the Commission that may be relevant to the proposed Eagle Mountain Pumped Storage Project:


**MAILING LIST**

The list below is the Commission’s official mailing list for the Eagle Mountain Pumped Storage Project. If you want to receive future mailings for the Eagle Mountain Pumped Storage Project and are not included in the list below, please send your request by mail to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Room 1A, Washington, DC 20426. All written requests to be added to the mailing list must clearly identify the following on the first page: Eagle Mountain Pumped Storage Project No. 13123-000. You may use the same method if requesting removal from the mailing list shown below.

California Air Resources Board
PO Box 2815
Sacramento, CA 95812-2815

California Department of Fish and Game
COORDINATOR
1416 9th St
Sacramento, CA  94244
MaryLisa F. Lynch
California Department of Fish and Game
1701 Nimbus Road, Suite A
Rancho Cordova, CA  95670
California Department of Water Resources
Department of Safety of Dams
PO Box 942836
Sacramento, CA  94236-0001
California Dept. of Parks and Recreation
CHIEF
PO Box 942896
Sacramento, CA  94296-0001
CALIFORNIA FISH & GAME COMM
ATTN: ENVIRONMENTAL SERVICES DIVISION
1416 9th St
Sacramento, CA  95814-5511
California Office of Attorney General
ATTORNEY GENERAL
300 S Spring St Fl 2
Los Angeles, CA  90013-1230
Matthew R Campbell
California Office of Attorney General
1300 I St # 125
Sacramento, CA  95814-2919
CHERILYN E WIDELL, DIRECTOR
CALIFORNIA OFFICE OF HISTORIC PRESERV.
1416 9th St
Sacramento, CA  95814
California Office of the Governor
Governor
State Capitol Building
Sacramento, CA  95814
California Public Utilities Commission
Secretary
505 Van Ness Ave
San Francisco, CA  94102-3214
California State Lands Commission  
SUITE 100-SOUTH  
100 Howe Ave  
Sacramento, CA 95825-8202  
Daniel Hyde  
LEWIS, BRISBOIS BISGAARD & SMITH, LLP  
County Sanitation Districts of Los Angeles County  
Suite 1200  
221 N Figueroa St  
Los Angeles, CA 90012-2639  
Stephen Maguin  
Chief Engineer and General Manager  
County Sanitation Districts of Los Angeles County  
P.O. Box 4998  
Whittier, CA 90607-4998  
ARTHUR W LOWE, PRESIDENT  
EAGLE CREST ENERGY COMPANY  
PO Box 2155  
Palm Desert, CA 92261-2155  
Donald Clarke, Partner  
Law Offices of GKRSE  
1500 K Street NW  
Suite 330  
Washington, DC 20005  
Regional Engineer  
FERC Portland Regional Office  
805 SW Broadway Fox Tower - Suite 550  
Portland, OR 97205  
Edward J Perez  
Federal Energy Regulatory Commission  
805 SW Broadway Ste 550  
Portland, OR 97205  
General Manager  
Imperial Irrigation District  
PO Box 937  
Imperial, CA 92251-0937  
TERRY COOK  
Kaiser Ventures, LLC  
SUITE 850  
3633 Inland Empire Blvd
Supervisor
1655 Heindon Rd
ARCATA FWO
Arcata, CA  55214
U.S. Fish and Wildlife Service
Field Supervisor
2800 Cottage Way
ROOM W-2605
Sacramento, CA  95825
Supervisor
U.S. Fish and Wildlife Service
2493 Portola Road, Suite B
Ventura, CA  93003
U.S. Fish and Wildlife Service
Regional Director
Attn: FERC Coordinator
911 NE 11th Ave
Portland, OR 97232-4169
Alexis Strauss, Director
Water Division
U.S. Environmental Protection Agency, Region 9
75 Hawthorne Street
San Francisco, CA  94105
Barbara Boxer
Honorable
United States Senate
112 Hart Senate Office Bldg
Washington, DC  20510
DIANNE FEINSTEIN
HONORABLE
United States Senate
WASHINGTON, DC  20510
Commander
SAN FRANCISCO DISTRICT OFFICE
US Army Corps of Engineers
1455 Market St, #1760
San Francisco, CA  94103
US Bureau of Indian Affairs
2800 Cottage Way
Sacramento, CA  95825-1846
US Bureau of Land Management
CALIFORNIA STATE OFFICE
2800 Cottage Way Ste W1834
Sacramento, CA  95825-1886

District Chief
US Geological Survey
Placer Hall
6000 J St.
Sacramento, CA  95819

Matt Bullock
Office of Chief Counsel
STATE WATER RESOURCES CONTROL BOARD
PO Box 2000
Sacramento, CA  95812-2000

Paul Perdue, Executive Officer
Colorado River Regional Water Quality Control Board
73-720 Fred Waring Drive
Suite 100
Palm Desert, CA  92260