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April 22, 2013

Jeffrey Parks  
State Water Resources Control Board  
Division of Water Rights  
P.O. Box 2000  
Sacramento, CA 95812

**RE: CEQA Scoping for Kilarc-Cow Creek Hydroelectric Project (FERC Project No. 606)**

Dear Mr. Parks:

Pacific Gas and Electric Company (PG&E) has reviewed the State Water Board's Notice of Preparation (NOP) of an Environmental Impact Report on the Kilarc-Cow Creek Hydroelectric Project, and also attended the State Water Board's scoping meeting in Palo Cedro on Wednesday, April 10<sup>th</sup>, 2013. PG&E looks forward to working with the State Water Board and other stakeholders in the process to obtain Section 401 Water Quality Certification. The purpose of this letter is to provide recommended clarifications and comments on certain statements made in the NOP and at the scoping meeting.

In the scoping meeting, State Water Board staff made statements regarding the intent of decommissioning, and PG&E would like to offer clarification. As described in PG&E's License Surrender Application (LSA) and Proposed Decommissioning Plan (PDP) filed with the Federal Energy Regulatory Commission in March 2009, the objectives of the PDP are to achieve specific desired conditions once decommissioning is complete and address potential resource issues associated with decommissioning of the hydro facilities. This may not provide restoration to pre-project conditions for each project component. For example, if removing a dam abutment along a steep slope could significantly increase erosion potential, the decommissioning plan proposes to leave that abutment in place. The detailed description of the decommissioning plan can be found in the PDP (Appendix A of the LSA).

Additionally, the NOP states that "...the CEQA 'No Project Alternative' will be developed in consultation with both PG&E and FERC after the scoping comment period...". PG&E agrees with the State Water Board that if the proposed project is not approved, it cannot be assumed that the hydroelectric facilities will continue to operate indefinitely under annual license renewals.

And finally, the NOP states that "...the EIR will likely include an analysis of the combined effects of Alternatives 1 and 2 to assess the cumulative effects of the proposed alternatives." This statement appears to conflate two different types of CEQA analyses: a discussion of alternatives to the proposed project (Section 15126.6 of the CEQA Guidelines) and a discussion of cumulative impacts (Section 15130 of the CEQA Guidelines). We are unclear about the State Water Board's intended purpose for combining the alternatives and cumulative impact

analyses. We are also uncertain how a cumulative impact analysis of the project alternatives would be effectively performed, because Alternatives 1 and 2 appear to be variations of the proposed project. Additionally, cumulative effects analyses in CEQA only consider probable future projects. If the EIR includes any of the alternatives in its cumulative effects analysis, it should clearly substantiate why these projects are being considered "probable future projects" (per Section 15130[b][1][A] of the CEQA Guidelines) by the State Water Board.

Thank you very much for your consideration of these comments. If you have any questions, please contact me at (415) 973-7465.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Whitman". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Lisa Whitman,  
License Project Manager