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From: Marie See [<mailto:SEE@wapa.gov>]

Sent: Monday, September 15, 2003 2:40 PM

To: Brown, Delores

Subject: Comments to Draft EIS/EIR for the CALFED Environmental WaterAccount

The Western Area Power Administration (Western) would like provide the following comments on the CALFED Environmental Water Account (EWA) draft Environmental Impact Statement and Impact Report (EIS/EIR). As a signatory to the CALFED Implementation Memorandum of Understanding, Western fully supports the development of appropriate protocols and procedures to implement the EWA consistent with the CALFED solution principles.

Western supports the identification of potential impacts associated with the proposed alternatives on the authorized purposes of the Central Valley Project (CVP), including the power function, and the resultant obligation on the part of the CALFED program to mitigate for such impacts. Western commends the efforts of the Bureau of Reclamation to identify and mitigate for the impacts of EWA actions on the authorized purposes of the CVP. Western is, however, concerned that Table ES-4, may potentially understate the actual mitigation obligation of the parties. Table ES-4 indicates the need of the parties "to develop a financial plan". In order to fulfill the mitigation requirement, the parties will need to go beyond the development of a financial plan and identify the specific mitigation measures required for each authorized CVP purpose, such as the power function, to assure that unintended impacts do not occur. Western recommends that the language contained in Table ES-4 identifying the need to develop a project financial plan be modified so that it is consistent with other language in the EIS/EIR describing the mitigation requirement.

Western has the following specific comments on the Power Chapter (Chapter 16):

Page 16-4: Table 16-1 only contains capacity. For comparison purposes, it may be desirable to include average annual energy production since Table 16-2 on Page 16-5 presents annual average energy use. It may be desirable to do include average annual energy production for the State Water Project shown in Table 16-3 on Page 16-6.

Page 16-4: "Western markets power surplus to Project Use" and First Preference Customers needs. It may be desirable to include a footnote clarifying the legal status of First Preference Customers. First Preference Customers are entities that are entitled to receive an allocation of up to 25 percent of the additional energy resulting from the operational integration of their specific project unit/division into the CVP.

For example, Trinity County is entitled to up to 25 percent of additional energy resulting from the integration of the Trinity River Division while Tuolumne and Calaveras Counties are entitled to up to 25

percent of additional energy resulting from the integration of the New Melones Project.

Page 16-5: "Western has completed and is in the process of implementing its post-2004 Marketing Plan for CVP hydropower resources that are surplus to Project use power needs after the long-term preference customer contracts expire in 2004."

The expiration of Western's long-term contracts with its preference customers are tied to the impending termination of Contract 14-06-200-2948A, a resource integration and transmission contract with the Pacific Gas and Electric Company. The expiration of this contract is tied to the end of the 1994 Power Marketing Plan and the initiation of the 2004 Power Marketing Plan. Beginning January 1, 2005, Western will market excess hydropower resources, which are surplus to Project Use Power and First Preference Customer needs on a daily available basis.

Page 16-24: Table 16-8 the estimate of 2005 Average Monthly Peak Spot Market Price per MWh seems low. The source document is from February 2002. It may be desirable to update the data with more recent information so that impact analysis may be more complete.

Page 16-26: If possible, it may be desirable to update information originally developed from the 2002 California Energy Commission Report. The second paragraph states that Reclamation/Western will become responsible for timely declaration of loads and resources after 2004. It further states that EWA purchases and actions may affect day-to-day power scheduling resulting in additional costs to be borne by the CVP. The section states that these "effects could be potentially significant" but that "mitigation measures listed in Section 16.3.9 would reduce these" to "less than significant." The original document did not contain these mitigation measures. Western understands that an errata sheet was subsequently developed and furnished to all of the reviewers. Western is in the process of analyzing these mitigation measures, as well as those on Page 16-29, and intends to provide comments in the near future.

If you have any questions regarding Western's comments, please feel free to contact Mr. Howard Hirahara at (916) 353-4019.

Sincerely,

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