MOTION TO INTERVENE OF THE CENTER FOR BIOLOGICAL DIVERSITY, ENDANGERED HABITATS LEAGUE, AND SAN BERNARDINO VALLEY AUDUBON SOCIETY REGARDING THE NEVADA HYDRO COMPANY’S FINAL LICENSE APPLICATION

Pursuant to 18 C.F.R. section 385.212 (FERC Rule 212), and 18 C.F.R. section 385.214 (FERC Rule 214), the Center for Biological Diversity, Endangered Habitats League, and San Bernardino Valley Audubon Society (the “Conservation Groups”) submits this motion to intervene in the license application proceedings for the Lake Elsinore Advanced Pumped Storage (“LEAPS”) Project on Lake Elsinore and in the Cleveland National Forest in California (P-14227-003). A license application was submitted for the LEAPS Project by the Nevada Hydro Company, Inc (“TNHC”). The Conservation Groups seek to intervene to assert environmental and public health concerns in the proceedings.

While the Conservation Groups strongly support renewable energy and beneficial methods of energy storage, this project would be extremely detrimental to both wildlife, including threatened and endangered species, and the citizens who enjoy hiking, backpacking, photography, wildlife viewing, scientific study, and living in the area. TNHC’s project proposals have time and again failed in the application process due to inadequacy and lack of support. Yet, TNHC has once more submitted a license application substantially based on its past failed application expecting a different result. Thus, the Conservation Groups remain deeply concerned
by the impacts the project, if approved, could have on (1) wildlife, (2) the environment, and (3) the individuals who regularly use and enjoy the lands that would be affected by the LEAPS Project, including the Cleveland National Forest, Lake Elsinore, and surrounding areas.

In support of this motion to intervene, the Conservation Groups state as follows:

I. STATEMENT OF FACTS

On October 2, 2017, the Nevada Hydro Company, Inc. filed its Final License Application (the “Application”) with the Federal Energy Regulatory Commission (“FERC”) for a license to construct, operate, and maintain the 500 megawatt LEAPS Project (P-14227-003). Since initial receipt of the Application, FERC has requested that TNHC supplement the Application with various study notices, plans, and reports. Two of these requests appear to be outstanding, as the FERC docket indicates TNHC has yet to submit its Cultural Resources Report and Recreation Use Report.¹

The Nevada Hydro Company’s Application is based on, and substantially similar to, a previous failed application that was submitted on February 2, 2004 with the Elsinore Valley Municipal Water District (“EVMWD”), LEAPS Project (P-11858). The current LEAPS Project is proposed to be located on Lake Elsinore, the Cleveland National Forest, and adjacent public and private lands in and around the City of Lake Elsinore in Orange, Riverside, and San Diego Counties, California. The project consists of an upper dam and reservoir, powerhouse, and over thirty miles of transmission lines that traverse lands managed by the Forest Service in the Cleveland National Forest, Camp Pendleton Marine Base, and lands managed by the Bureau of Land Management.

In 2006, FERC issued the Draft Environmental Impact Statement (“EIS”) for the former LEAPS Project (P-11858) that evaluated the proposal and a FERC staff alternative for licensing the LEAPS Project pursuant to the National Environmental Policy Act (“NEPA”). In 2007, FERC issued the Final EIS for the LEAPS Project.

TNHC also filed several inadequate applications with the California Public Utilities Commission (“CPUC”) for the transmission line component of the LEAPS Project—The Talega Escondido/Valley Serrano 500kV Interconnect Project. (“TE/VS”). From 2007 to 2009 TNHC filed a series of draft and incomplete applications that were reviewed repeatedly by CPUC staff for corrections and additions. Because TNHC continually failed to provide the required environmental documents, the CPUC eventually dismissed both the 2007 and 2009 TE/VS applications without prejudice.

Once again, TNHC applied to the CPUC for the TE/VS Project in 2010. The 2010 TE/VS application was also in question because of incomplete testimony, questions regarding financial viability and costs, and the ability of the TNHC to recoup costs associated with the TE/VS Project through the California Independent System Operator (“CAISO”) process. TNHC has applied for and withdrawn the TE/VS Project from the CAISO process prompting the CAISO to leave the TE/VS Project out of the transmission planning process. TNHC also failed

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2 CPUC, Application of The Nevada Hydro Company for a Certificate of Public Convenience and Necessity for the Talega-Escondido/Valley-Serrano 500-kV Interconnect, A0710005 (Filed October 9, 2007); Application of The Nevada Hydro Company for a Certificate of Public Convenience and Necessity for the Talega-Escondido/Valley-Serrano 500-kV Interconnect, A0902012 (Filed February 20, 2009); Application of The Nevada Hydro Company for a Certificate of Public Convenience and Necessity for the Talega-Escondido/Valley-Serrano 500-kV Interconnect, A1007001 (Filed July 6, 2010).
4 Id.
to provide the bond for the TE/VS Project as required by the CPUC. In December of 2011

Administrative Law Judge Angela K. Minkin stated the following

Given the many questions that have arisen, as well as the significant resources that have already been devoted to this proceeding, rather than continuing to grant stays and delays in this proceeding, I am inclined to recommend that the Commission dismiss this application.

Finally, on May 24, 2012, the 2010 CPUC application was dismissed without prejudice, and the CPUC imposed five conditions that TNHC was required meet for any subsequent application.

Beginning in 2005, THNC also began to file and withdraw several applications before the California State Water Resources Control Board (“State Board”) for water quality certification associated with the LEAPS-TE/VS Project. On October 1, 2009, the State Board denied the application for water quality certification associated with the LEAPS-TE/VS Project. TNHC then filed suit against the State Board for their denial and sought a writ of mandate to direct the State Board to set aside its order and either allow Nevada Hydro to withdraw and resubmit its application or hold an adjudicatory hearing. TNHC also had outstanding debt obligations associated with that State Board filing that it refused to repay. Earlier this year, TNHC submitted a report to the Water Board on the impacts of the LEAPS Project on water quality in

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8 CPUC, A1007001, Administrative Law Judge’s Ruling Requiring Comment on Dismissing Application (Issued December 1, 2011).
9 Id.
12 Id.
Lake Elsinore, but it is not evident at this time that TNHC has submitted comments from the Water Board on the completeness or adequacy of the report.\textsuperscript{15}

In addition, TNHC had a dispute with its former co-applicant for the LEAPS-TE/VS Project, EVMWD.\textsuperscript{16} This dispute led to the termination of the 14-year-old Development Agreement between THNC and EVMWD.\textsuperscript{17} It also prompted the dismissal of the 2004 Application.\textsuperscript{18} This dispute was eventually settled, and a Consent Judgment was entered July 27, 2018.\textsuperscript{19}

The LEAPS Project has also come under financial scrutiny. In 2006 an independent economic analysis conducted on the project on behalf of EVMWD revealed that the project was not economically viable\textsuperscript{20} and that TNHC had not produced economic studies justifying development of LEAPS or TE/VS.\textsuperscript{21} TNHC’s bidding, contracting, and transparency with the LEAPS-TE/VS Project was also the subject of a Grand Jury proceeding in the Riverside County Superior Court.\textsuperscript{22} A 2009 Grand Jury Report noted that two economic evaluations concluded the LEAPS-TE/VS Project was “not economically viable.”\textsuperscript{23} The Grand Jury Report also resulted in


\textsuperscript{16} FERC, Order Denying Rehearing, Project No. 11858-004 (Issued November 17, 2011).

\textsuperscript{17} Id.

\textsuperscript{18} Id.


\textsuperscript{20} LEAPS Economic Evaluation (Feb 7, 2006), available at http://docs.cpuc.ca.gov/efile/CM/156150.pdf . A summary of key findings of the LEAPS Economic Evaluation are: when revenue and cost factors are considered the LEAPS Project, as a merchant plant, is not viable at this time; Nevada Hydro’s spreadsheet dated July 20, 2005 assumed an on-peak price of $65 per MWh and an off-peak price of $25 per MWh. Although these price assumptions might be reasonable under different circumstances, since the California energy crisis ended in 2001, such a high differential has existed on only a few days, and the average differential is far lower; based on 2005 actual prices, in our base case we project that LEAPS would have had annual net energy sales of just $0.3 million, instead of the $54.6 million Nevada Hydro calculated.

\textsuperscript{21} Id.


\textsuperscript{23} Id. at 3.
three major recommendations: 1) EVMWD must require due diligence in establishing future contracts such as LEAPS, in order to avoid relying on sole bidders for contracts;\(^{24}\) 2) the LEAPS Project is not economically viable;\(^{25}\) and 3) EVMWD should provide an itemized accounting of the four million dollars in ratepayer funds spent on the LEAPS Project.\(^{26}\)

**II. STATEMENT OF INTEREST AND GROUNDS FOR INTERVENTION**

The Conservation Groups have an interest in the LEAPS Project because it would adversely affect the environment. The Center for Biological Diversity is a non-profit, public interest environmental organization with more than 1.6 million members and online activists dedicated to the protection of native species and their habitats through science, policy, and environmental law.

Endangered Habitats League (“EHL”) is a tax-exempt non-profit California corporation dedicated to the conservation of native ecosystems and to sustainable land use and transportation planning. Since 1991, EHL has engaged in planning partnerships across Southern California and worked to create habitat preserve systems in the vicinity of this project. EHL’s members, including those in Orange and Riverside Counties, are very concerned over the health of this ecosystem.

The San Bernardino Valley Audubon Society is the local chapter of the National Audubon Society for almost all of Riverside and San Bernardino Counties and has about two thousand members in that area. Its missions are the protection of natural habitat for birds and other wildlife, and public education about the environment.

The Conservation Groups’ membership includes individuals who regularly use and enjoy the lands that would be affected by the LEAPS Project, including the Cleveland National Forest,

\(^{24}\) *Id.* at 1, 5.
\(^{25}\) *Id.* at 5.
Lake Elsinore, and surrounding areas, for hiking, backpacking, hunting, fishing, photography, wildlife viewing, scientific study, and other recreational, aesthetic, and educational purposes.

Based on the information in the 2007 Final EIS, TNHC’s 2017 Final License Application, TNHC’s supplemental information filed August 2, 2018, and elsewhere in the FERC docket for this and the previous application, the interests of the Conservation Groups and their individual members would be adversely affected by the LEAPS Project. In particular, the Conservation Groups have an interest in avoiding or minimizing the LEAPS Project’s impacts on sensitive species of plants, fish, and wildlife; avoiding or minimizing the project’s impacts to Lake Elsinore and other waterbodies; avoiding or minimizing the project’s impacts on public lands, including the Cleveland National Forest; and promoting alternatives to the proposed action that would minimize environmental harm. These interests may be directly affected by the outcome of this proceeding if FERC approves a license for the LEAPS Project.

Since filing its final license application, TNHC has submitted several supporting documents to FERC that show there would be environmental impacts from the project on air quality, water quality, the soil, rare species, and botanical and vegetation resources. A recreational study is still outstanding, but given the potential environmental impacts of the project, the Conservation Groups’ members who use the area where the proposed project would be located would be affected by the environmental impacts. If TNHC’s application is accepted, FERC should complete a new and updated EIS that would shed more light on the potential adverse environmental impacts of the LEAPS Project and offer alternatives.

The Conservation Groups have a statutory right to intervene. 18 C.F.R. section 385.212 (FERC Rule 212), 18 C.F.R. section 385.214 (FERC Rule 214). Additionally, the Conservation Groups’ environmental interests described above may be directly affected by the outcome of the

Id. at 5.
proceeding if FERC licenses the LEAPS Project. The Conservation Groups’ participation is justified because of this potential adverse effect. 18 C.F.R. § 385.214(b)(2)(ii). Moreover, the Conservation Groups seek to intervene in this proceeding to assert its environmental interests on behalf of the public. The Conservation Groups will attempt to limit the LEAPS Project’s environmental harm and to protect public trust resources including the waters of Lake Elsinore, public lands in the Cleveland National Forest and elsewhere, and the plants, fish, and wildlife that would be affected by the project. Accordingly, the Conservation Groups’ participation is justified because it is in the public interest. 18 C.F.R. § 385.214(b)(2)(iii).

A. AIR QUALITY WOULD BE ADVERSELY AFFECTED

The LEAPS Project would “result in air emissions from construction equipment, earth moving activities, construction commutes, material deliveries and earth hauling.”27 Further, construction activities related to the project would have a direct effect on the Conservation Groups’ members as the project will temporarily restrict recreational activities due to smoke and dust.28 Construction would also cause noise that may affect the surrounding environment as well as people living near the LEAPS Project site.29

B. THERE ARE POTENTIAL IRREVERSIBLE EFFECTS

The proposed project would also have irreversible effects on the landscapes of, and adjacent to, the project site. In order to construct the proposed project, about fifteen acres of southern coastal oak woodlands would need to be eliminated.30 Additionally, the project structures that TNHC proposes to build would have permanent visual impacts on the area, again

30 TNHC, E-16. Air Quality and Noise from FLA and FEIS (Filed August 2, 2018) at 3-253, available at
affecting members of the Conservation Groups who use and enjoy the area.\textsuperscript{31} Further, placing a “dam, dike, and reservoir at Morrell Canyon would interrupt natural streamflow and sediment transport processes.”\textsuperscript{32} If, for any reason, the dam or dike fails, there would be further unavoidable adverse effects.\textsuperscript{33} For example, a dam breach at the Decker Canyon Reservoir site would result in a flood wave that could affect “campgrounds, residential and commercial buildings, and Ortega Highway (State Route 74) stream crossings.”\textsuperscript{34} Further, the Decker Canyon Reservoir “would be classified as having a high downstream hazard potential” because “failure or disoperation would probably cause loss of human life.”\textsuperscript{35}

**C. WATER QUALITY WOULD BE DEGRADED**

Moreover, the proposed LEAPS Project could degrade water quality. This is particularly troubling because Lake Elsinore is already listed, as of 2010, as a category five impaired water body because water quality standards were not met and a Total Maximum Daily Load (TMDL) was required but had still not been developed for several pollutants including Low Dissolved Oxygen, Polychlorinated biphenyls (PCBs), and Sediment Toxicity.\textsuperscript{36} The already compromised Elsinore Lake could face even worse water quality due to the LEAPS Project.

For instance, there is a risk that contaminants could be accidentally released and degrade water quality as construction activities take place.\textsuperscript{37} To illustrate, if petroleum products and/or

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\textsuperscript{31} TNHC, E-16. Air Quality and Noise from FLA and FEIS (Filed August 2, 2018) at 3-253, available at https://elibrary.ferc.gov/IDMWS/file_list.asp?document_id=14694659


\textsuperscript{37} TNHC, E-17 Water Hydrology from FLA and FEIS (Filed August 2, 2018) at 25, available at
hazardous substances are spilled or released into streams or waters near “construction, operation, or maintenance activities,” there could be “negative effects on water quality, including corresponding impact on terrestrial and aquatic resources.”

Local residents and members of the Conservation Groups are also concerned that the local water supply could be impacted both by the project operation and the project construction through activities like groundwater pumping for construction, placement of a seepage collection system, and excavation activities. Where there is shallow groundwater, the project could potentially degrade the quality of the groundwater as well. Further, construction of the project could result in increased turbidity due to sediment from in-water construction activities and increased surface erosion.

D. NEW TRANSMISSION LINES WOULD CAUSE ADVERSE ENVIRONMENTAL EFFECTS

Another feature of the LEAPS Project that would impact the environment, if TNHC’s final application is accepted and the project moves forward, is the new transmission lines. The proposed lines would span multiple watersheds, including portions of the San Jacinto River, Santa Ana River basins, San Juan Creek, and San Mateo Creek basins. Their construction would require maintenance roads to be built in addition to the towers themselves. Water quality, again, would face degradation from spills of potentially harmful materials like “oils, grease, coolants, lubricants, and other fluids” if the towers and access roads are built.
Additionally, the towers and their construction could degrade water quality through erosion and sedimentation, degrade groundwater, cause increased runoff, and potentially result in flooding.\textsuperscript{44}

E. RARE SPECIES, BOTANICAL, AND VEGETATION RESOURCES WOULD BE AFFECTED

If the LEAPS Project goes forward, there are potential adverse effects to rare species and botanical and vegetation resources that are found at the project site. For example, access roads may be used by the public, which in turn “could cause trampling and soil compaction; increased dust that could smother plants that butterflies rely on; increased risk of wildfire; illegal dumping; and introduction and spread of noxious weeds and invasive exotic plants.”\textsuperscript{45} Further, it was estimated that the Quino checkerspot butterfly would lose about 35 acres of designated critical habitat due to the construction of seven transmission towers.\textsuperscript{46} A key population of the Stephens’ kangaroo rat, an endangered species living within a very narrow geographic range, would also be significantly affected by the project.\textsuperscript{47} These are just some examples of species that have already been identified as being affected by the LEAPS Project, and upon further environmental review, it is likely that more would be identified. The Conservation Groups have a strong interest in assuring that the laws requiring adequate environmental studies are followed so the public and decision-makers are fully informed of the project’s environmental impacts.

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\textsuperscript{46}TNHC, E-21 Rare, Threatened, and Endangered Species from FLA and FEIS (Filed August 8, 2018) pg. 3-138 available at http://leapshydro.com/wp-content/uploads/2018/08/21.-Rare-Threatened-and-Endangered-from-FLA-and-FEIS.pdf
\textsuperscript{47}TNHC, E-21 Rare, Threatened, and Endangered Species from FLA and FEIS (Filed August 8, 2018) pg. 3-148 available at http://leapshydro.com/wp-content/uploads/2018/08/21.-Rare-Threatened-and-Endangered-from-
III. CONTACT INFORMATION

The names, addresses, telephone numbers, and email addresses of the attorneys representing the Conservation Groups in this matter are:

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Please direct all communications regarding this proceeding to the above attorneys.

IV. CONCLUSION

For the foregoing reasons, the Conservation Groups respectfully move FERC to grant leave to the Conservation Groups to intervene in this proceeding as full parties with all rights and privileges thereof.

DATED: August 8, 2019

CENTER FOR BIOLOGICAL DIVERSITY

By:

Ross Middlemiss
Jonathan Evans
Attorneys for Movant

Kaitlin Sheber
Law Clerk
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document via electronic means upon each person designated on the official service list compiled by the Secretary in the above-captioned proceeding, in accordance with the requirements of Rule 2010 of the FERC’s Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Oakland, California this 8th day of August, 2019.

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