



July 28, 2015

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
825 North Capital Street, NE
Washington, D.C., 20426

Re: *San Diego County Water Authority and City of San Diego, San Vicente Pumped Storage Project, Project No. 14642-000; Pre-Application Document Submittal with Notice of Intent to File for an Original License, and Request to Use Traditional Licensing Process*

Dear Secretary Bose:

The San Diego County Water Authority (Water Authority) and City of San Diego (City) have been issued a joint preliminary permit from the Federal Energy Regulatory Commission (FERC) to pursue development of the San Vicente Pumped Storage Project (FERC Project Number 14642-000). The purpose of this letter is to:

- 1) Submit the completed Pre-Application Document (PAD);
- 2) Submit the formal Notice of Intent (NOI) to file an application for an original License, including a request to be designated as the Commission's non-federal representative for purposes of required consultation; and
- 3) Make a formal request to utilize FERC's Traditional Licensing Process (TLP) for development and processing of the license application.

1. Pre-Application Document Submittal

The Water Authority and the City are pleased to submit the completed PAD (attached) prepared in conformance with 18 CFR 5.5 and 5.6. Initial consultation has been undertaken as a part of preparation of the PAD, including requests for information and input from applicable regulatory agencies and Tribes, and notification of all parties on the FERC contact list, State and local elected representatives, local landowners and local and regional stakeholders. The PAD, including this letter, has also been transmitted to the agencies and Tribes, and made available electronically to all other parties on the mailing list (see PAD, Section 6.0 Summary of Contacts).

2. Notification of Intent to File an Original License Application

The Water Authority and City hereby notify FERC of their intent to apply for an original license for the proposed San Vicente Pumped Storage Project (Project), FERC Project No. 14642-000. Pursuant to 18 CFR §5.5,(a) through (g) as applicable, the following information is provided:

Information Required by 18 CFR §5.5(b):

(1) Applicant's Name and Address:

Frank Belock Deputy General Manager San Diego County Water Authority 4677 Overland Avenue San Diego, California 92123 Phone number : (858) 522-6600	Robert Mulvey Assistant Director of Public Utilities City of San Diego, Public Utilities Dept 9192 Topaz Way San Diego, California 92123-1117 Phone number: (858) 292-6418
--	---

(2) **FERC Project Number:** 14642-000

(3) **License expiration date:** Not applicable

(4) Statement of Intent

The Water Authority and City unequivocally state that they intend to prepare and file an application for an original license for this Project.

(5) Type of Project

The proposed San Vicente Pumped Storage Project would be a closed-loop pump storage system consisting of an existing reservoir, a new upper reservoir to be formed by three dams, conveyance tunnels, a powerhouse containing four 125MW reversible pump turbines, and a five-mile, 230 KV double-circuit power transmission line.

(6) Location of Project

State: California

County: San Diego

Stream: Not applicable

Waterbody: San Vicente Reservoir

Nearby Cities: Santee, Poway, San Diego

(7) **Proposed Installed Plant Capacity:** 500-MW

(8) Name and mailing address of:

(i) the County in which the project is located:

County of San Diego
 County Administration Center
 Dianne Jacob, Supervisor
 1600 Pacific Highway, Room 335
 San Diego, Ca 92101

(ii) City, town or similar political subdivision in which any part of the project is to be located: County of San Diego, as identified in (i) above.

(ii)(B) City, town or similar political subdivision with a population of 5,000 or more and is located within 15 miles of the existing project dam:

City of El Cajon Douglas Williford, City Manager 200 Civic Center Way El Cajon, CA 92020	City of Poway Dan Singer, City Manager 13325 Civic Center Drive Poway, CA 92064
City of Escondido Clay Phillips, City Manager 201 North Broadway Escondido, CA 92025	City of Santee Tim Mc Dermott, Acting City Manager 10601 Magnolia Avenue Santee, CA 92071
City of La Mesa David Witt, City Manager 8130 Allison Avenue La Mesa, CA 91942	City of San Diego Mayor Kevin Faulconer 202 C Street San Diego, CA 92101-4806
City of Lemon Grove Kathy Henri, City Manager 3232 Main Street Lemon Grove, CA 91945	

(iii) Every irrigation district, drainage district or similar special purpose political subdivision:

(A) in which any part of the project is or is proposed to be located; or

(B) That owns, operates, maintains, or uses any project facility

Frank Belock Deputy General Manager San Diego County Water Authority 4677 Overland Avenue San Diego, California 92123	Robert Mulvey Assistant Director of Public Utilities City of San Diego, Public Utilities Dept 9192 Topaz Way San Diego, California 92123-1117
---	---

(iv) Every other political subdivision in the general area of the proposed project that there is reason to believe would be likely to be interested in, or affected by the notification: A segment of the Project's gen-tie line crosses vacant property owned by the Miramar Marine Corps Air Station (MCAS). There are no other federal facilities that would be used by the proposed Project.

MCAS Miramar Ms. Antoinette Perez Director of Land Use and Real Estate Building 6317 MCAS Miramar PO Box 452007 San Diego, CA 92145-2007	MCAS Miramar Mr. David Boyer Director, Natural Resources Division Building 6317 MCAS Miramar PO Box 452000 San Diego, CA 92145-2000
---	--

(v) Affected Indian Tribe:

Barona Tribe
Art Bunce, Tribal Attorney
P.O. Box 1416
Escondido, CA 92033

No Barona tribal lands will be directly affected by the proposed Project.

Information Required by 18 C.F.R. §5.5(c): Requirement to distribute.

A notice of the availability of this document is being transmitted to all parties on the attached consultation list by first class mail. In accordance with 18 C.F.R. § 5.3(d)(2), an appropriate notice of the filing of the notification of intent, PAD and this request to use the TLP is also being published in the San Diego Union Tribune, a newspaper of general circulation in San Diego County where the proposed Project would be located.

Information Required by 18 C.F.R. §5.5(e): Non-Federal representatives.

The Water Authority and the City hereby request to be designated as the Commission's joint non-Federal representatives for purposes of consultation under section 7 of the Endangered Species Act and the joint agency regulations thereunder at 50 CFR part 402, and section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act and the implementing regulations at 50 CFR 600.920, as applicable. The Water Authority and the City also request authorization to initiate consultation under section 106 of the National Historic Preservation Act and the implementing regulations at 36 CFR 800.2(c)(4). Formal consultation will include all tribes identified as potentially interested by the Bureau of Indian Affairs and the Native American Heritage Commission.

3. Request to Utilize FERC's Traditional Licensing Process

Pursuant to the provisions of the Commission's regulations (18 C.F.R. §5.3), the Water Authority and the City request authorization to utilize the Traditional Licensing Process (TLP) in preparing to file a license application for the Project.

The potential co-applicants have conducted extensive studies in conjunction with the San Vicente Reservoir for the recently completed San Vicente Dam Raise and Carryover Storage Project, and for the regional Emergency Storage Project, including a complete Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for each project. In addition, a substantial portion of the transmission corridor lies adjacent and parallel to the recently completed Sunrise Powerlink 500 kV transmission line developed by the San Diego Gas and Electric Company, which also included development of a comprehensive EIS/EIR. Finally, the City is currently performing extensive water quality and reservoir mixing modeling as a core part of its evaluation of use of the San Vicente Reservoir in its proposed Indirect Potable Reuse (Pure Water San Diego) project that would enhance regional water supplies by treating and recycling regional wastewater. After reviewing the extensive information previously collected and prepared in support of these related projects, as well as other available information, the Water Authority and the City believe that the TLP is the most appropriate and efficient process for this Project.

Pursuant to 18 C.F.R. §5.3(c)(1), the Water Authority and City provide the following justification for use of the TLP:

(A) Likelihood of Timely License Issuance

The proposed Project is very similar in scope, geographic footprint, and potential impacts to the projects previously examined. Based upon the nature of the issues that arose in conjunction with those projects, we believe that it is reasonable to expect that the licensing process for the Project should not be overly complex or prolonged.

The City is the owner and operator of the San Vicente Reservoir, and the City and Water Authority together are the exclusive owners of the water supplies in the reservoir. The abundance of existing data, long-established cooperative working relationships with the local, State and federal regulatory agencies, and the relatively straightforward project characteristics (closed-loop system; existing lower reservoir; no diversion of a stream or other water body; very limited effects on recreational uses), support the applicants expectation that the application process can proceed most efficiently to a licensing decision. Assuming Commission approval of this request, the Water Authority and the City are prepared to begin the initial consultation steps under the TLP.

(B) Complexity of the Resource Issues

As reflected in the PAD, the potential resource impacts of the proposed Project are not complex. These issues have been largely assessed and adequate mitigation actions developed for each of the previous projects described above. The closed-loop nature of the Project, use of an existing reservoir for the lower reservoir with no downstream releases, and upland nature of the upper reservoir site do not raise the more complex resource impact issues frequently associated with a more conventional new hydropower project development located on a waterway.

(C) Level of Anticipated Controversy

The Water Authority and the City do not anticipate that the Project will cause significant controversy that could be better accommodated in the Integrated Licensing Process (ILP). Potential resource impacts, as mentioned above, should not prove to be insurmountable. Likewise, extensive controversy regarding required studies is unlikely due to the large body of existing information already available and the limited impacts. A large part of the ILP is focused on developing plans for studies and we believe that such an effort would not measurably assist in this Project proceeding.

(D) Relative Cost of Traditional Licensing Process Compared to the Integrated Process

Utilization of the TLP for this Project should be more cost-effective for the applicants, the Commission, and interested agencies and stakeholders. The TLP is better suited for projects such as the proposed San Vicente Pumped Storage Project that are located within and utilize facilities that have been extensively studied in the past and for which a broad array of information is already available. The extensive and “front-loaded” pre-filing procedure under the ILP requires substantial commitments of manpower and the associated funds to support that effort, as well as extensive stakeholder and Commission involvement in establishing a study plan and pre-filing schedule. Funding such efforts for the proposed Project would be a potentially wasteful and unproductive option. On balance, our sense is that the TLP would be the least expensive and most productive process for not just the applicants, but for the Commission, agencies and other stakeholders as well.

(E) Amount of Available Information and Potential for Significant Disputes Over Studies

As noted above, extensive investigations of all of the pertinent resource areas have been performed for other recent projects directly related to the proposed San Vicente Pumped Storage Project, including:

- San Vicente Dam Raise and Carryover Storage Project (Water Authority and City)
- Emergency Storage Project (Water Authority)
- Sunrise Powerlink 500 kV Transmission Project (SDG&E)
- Pure Water San Diego Program (City)
- City and County Multi-Species Conservation Plans and related Sub-Area Plans

The Water Authority and the City do not anticipate significant study disputes regarding the additional studies and information that will be needed for the Project.

(F) Other Factors Believed by Applicants to be Pertinent

The Water Authority and the City believe that the TLP, where they will have more control over the budget and schedule than under the ILP, is more appropriate for this new, proposed Project. This will allow the potential co-applicants to adjust the pre-filing schedule as needed to accommodate key milestone decisions and changing circumstances.

Conclusion

A notification letter advising of the availability of this document and the PAD is being transmitted to all parties on the consultation list presented in Section 5 of the PAD by first class mail. Interested parties may file comments on this request with the Commission within 30 days of the filing date of this request. All comments should clearly refer to "San Vicente Pumped Storage Project Number 14642-000." Respondents may submit comments either electronically pursuant to 18 C.F.R. § 385.2003(c) or by sending an original and 8 copies to the following address:

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C., 20426

In accordance with 18 C.F.R. § 5.3(d)(2), an appropriate notice of the filing of the notification of intent, PAD and this request to use the TLP is being published in a newspaper of general circulation in San Diego County where the project is located.

Should the Commission have any questions regarding this request, please do not hesitate to contact the undersigned. The Water Authority and the City appreciate your consideration of and prompt attention to this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank Belock". The signature is fluid and cursive, with a long horizontal stroke at the end.

Frank Belock
Deputy General Manager
San Diego County Water Authority

A handwritten signature in blue ink, appearing to read "Robert Mulvey". The signature is cursive and somewhat stylized, with a large initial "R".

Robert Mulvey
Assistant Public Utilities Director
City of San Diego