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June 1999 CALFED Draft Programmatic EIS/EIR
Issues of Concern to Preference Power Customers that Merit Clarification in the Final (Spring 2000) PEIS/EIR

Impacts to CVP Power Resources

Most solutions presented in the DEIS/EIR show a loss of energy for sale to preference power customers.

- Preferred alternative (with storage) shows average annual energy reduction of 1,235 GWh, one-third of the existing conditions total of 3,695 GWh.
- Alternative 3 (includes peripheral canal and storage) shows annual energy reduction of 1,671 GWh, almost half the marketable resource shown under existing conditions.
- Energy reductions occur from increases in project use for water transfers, storage facilities, conveyance and from changed river operations. CALFED has not identified third-party impacts to power customers for increased project use.

Impacts to Rates

The PEIS/EIR shows rate increases up to and above market rates.

- Rate increases will occur due to changed river operations, increased pumping loads, or from mitigation costs assigned to CVP power customers
- The PEIS/EIR does not address the impacts of increased rates on Western's customers.
- If Western's rates are pushed above market, customers will buy elsewhere, resulting in an inability to repay CVP capital debt. This is not analyzed in the PEIS/EIR.
- Increased rates decrease the power customers' ability to compete in the restructured utility industry competitive environment.
- CALFED philosophy is no "re-directed impacts" and "beneficiary pays." For CVP hydropower, this will require a commitment to mitigate for rate impacts. To date, CALFED has not made this commitment.

CALFED FINANCING

CALFED financing relies on power customers.

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- Power is already supporting CALFED Programs through the CVPIA Restoration Fund.

- Additional Ecosystem Restoration projects may be funded through the CVPIA Restoration Fund. This would exacerbate anticipated rate impacts, without benefit to the power customers. This does not meet the CALFED philosophy of "beneficiary pays".

- If rates increase significantly and customers purchase power on the open market, the Ecosystem Restoration funds will not be collected from power customers and the Ecosystem Restoration program will have significant impacts. These impacts are not addressed in the PEIS/EIR.

- CALFED has not finalized its funding policy therefore impacts cannot be properly addressed.

Impacts to Air Quality

CALFED actions will cause a "re-directed" impact to air quality.

- Lost hydropower will be replaced with other generating sources, primarily combustion turbines, which will cause air pollution from stack emissions.

- The Federal agencies involved in CALFED are required by Executive Order 13123 to initiate cutbacks in activities that consume energy and generate air pollutants including greenhouse gases. Integrating clean generation (such as solar) with CALFED projects would help offset load increases (including increases in Project Energy Use) that otherwise would reduce the amount of CVP hydropower available for purchase by preference customers.

Other Concerns

- Cumulative impacts do not accurately quantify total power impacts from all the concurrent projects that could affect marketable CVP hydropower resources. The latest model runs from CVPIA could not have been included in the CALFED document, since they weren't available at the time the CALFED Draft PEIS/EIR was completed for release. More accurate cumulative impact data would improve the usefulness of CALFED's Final EIS/EIR, due out next Spring, as a decision-making tool.

- If "joint point of diversion" for Delta exports (interchangeability of State and Federal export pumps) is implemented, mitigation measures are needed to make CVP hydropower customers financially whole for power losses due to shifts in CVP pump operations from off-peak power usage times to peak times (including seasonal peaks).

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- Because of the general programmatic nature of the CALFED actions and the correspondingly general level of impact analyses, future specific actions will need specific impact analyses. If these are to be tiered from the programmatic document, the programmatic document must contain sufficient specificity to serve as a foundational document for the tiered reports. Without knowing what the specific actions are, it is impossible to determine at this time whether the programmatic EIS/EIR contains sufficient details. If it does not, the missing information will have to be added in the future and the document re-circulated as a draft for public and agency comments.

- When a new governing body is put in place to administer the CALFED Program, Western should be a decision-making participant for decisions affecting river operations, hydropower generation, and authorization for and allocation of Program costs.