



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Office

DOCKET

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Via Electronic & U.S. Mail

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To Whom it May Concern:

Notice of Availability of the
Draft Environmental Impact Statement/Staff Assessment for the NextEra Energy
Resources Genesis Solar Energy Project and Possible California Desert Conservation
Area Plan Amendment; CEC Docket No. 09-AFC-8, BLM Docket No. CACA 4880

The Metropolitan Water District of Southern California (Metropolitan) reviewed the Draft Environmental Impact Statement/Staff Assessment (collectively, "DEIS") for the NextEra Energy Resources Genesis Solar Energy Project and Possible California Desert Conservation Area Plan Amendment (Project). The U.S. Bureau of Land Management (BLM) is the lead agency under the National Environmental Policy Act (NEPA) for the DEIS and the California Energy Commission (CEC) is the lead agency (for licensing thermal power plants 50 megawatts and larger) under the California Environmental Quality Act (CEQA) and has a certified regulatory program under CEQA. Under its certified program, CEC is exempt from having to prepare an environmental impact report. Its certified program, however, requires environmental analysis of the project or a "staff assessment," including an analysis of alternatives and mitigation measures to minimize any significant adverse effect the project may have on the environment.

Metropolitan is pleased to submit comments for consideration by BLM and CEC during the public comment period for the DEIS and staff assessment.¹ In sum, Metropolitan provides these comments to ensure that any potential impacts on its facilities in the vicinity of the Project and on the Colorado River water resources are adequately addressed.

¹ Comments on the DEIS and Revised Staff Assessment are due July 8, 2010 per the Federal Register notice. 75 Fed. Reg. 18204 (April 9, 2010). This comment deadline applies to the CEC's Revised Staff Assessment issued June 11, 2010 regardless of whether it is finalized separately from BLM's DEIS as the relevant comment periods may not be reduced or altered retroactively.

Background

Metropolitan is a public agency and regional water wholesaler. It is comprised of 26 member public agencies serving more than 19 million people in six counties in Southern California. One of Metropolitan's major water supplies is the Colorado River via Metropolitan's Colorado River Aqueduct (CRA). Metropolitan holds an entitlement to water from the Colorado River. The CRA consists of tunnels, open canals and buried pipelines. CRA-related facilities also include above and below ground reservoirs and aquifers, access and patrol roads, communication facilities, and residential housing sites. The CRA, which can deliver up to 1.2 million acre-feet of water annually, extends 242 miles from the Colorado River, through the Mojave Desert and into Lake Mathews. Metropolitan has five pumping plants located along the CRA, which consume approximately 2,400 gigawatt-hours of energy when the CRA is operating at full capacity.

Concurrent with its construction of the CRA in the mid-1930s, Metropolitan constructed 305 miles of 230 kV transmission lines that run from the Mead Substation in Southern Nevada, head south, then branch east to Parker, California, and then west along Metropolitan's CRA. Metropolitan's CRA transmission line easements lie on federally-owned land, managed by BLM. The transmission lines were built for the sole and exclusive purpose of supplying power from the Hoover and Parker projects to the five pumping plants along the CRA.

Metropolitan's ownership and operation of the CRA and its 230 kV transmission system is vital to its mission to provide Metropolitan's 5,200 square mile service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Project Understanding

Genesis Solar LLC, a Delaware limited liability company and wholly owned subsidiary of NextEraTM Energy Resources LLC, proposes to construct, own, and operate the Genesis Solar Energy Project. The Project would be a concentrated solar electric generating facility that would be located in Riverside County, California.

The Project would consist of two independent solar electric generating facilities with a nominal net electrical output of 125 megawatts (MW) each, for a total net electrical output of 250 MW. Electrical power would be produced using steam turbine generators fed from solar steam generators. The solar steam generators receive heated transfer fluid from solar thermal equipment comprised of arrays of parabolic mirrors that collect energy from the sun.

The Project proposes use of a wet cooling tower for power plant cooling. Water for cooling tower makeup, process water makeup, and other industrial uses such as mirror washing would be supplied from on-site groundwater wells. Project cooling water blow down would be piped to lined, on-site evaporation ponds.

The Project water needs will be met by use of groundwater pumped from one of two wells on the plant site. Water for domestic uses by project employees will also be provided by onsite

groundwater treated to potable water standards. During construction, the Project proponent anticipates using up to 2,440 acre-feet of water over the course of approximately three years. Following construction and for long-term operations, the average total annual water usage for all four units combined is estimated to be about 1,644 acre-feet per year (afy).

The project is located approximately 25 miles west of the city of Blythe, California, on lands managed by BLM. The project is an undeveloped area of the Sonoran Desert. Surrounding features include the McCoy Mountains to the east, the Palen Mountains (including the Palen/McCoy Wilderness Area) to the north, and Ford Dry Lake, a dry lakebed, to the south. I-10 is located to the south of the Project.

Land Use Issues: Potential Impacts on Metropolitan Facilities

Although Metropolitan has not yet identified any direct land use impacts, the Project is in the general vicinity of Metropolitan facilities, perhaps as close as 4 miles. As described above, Metropolitan currently has a significant number of facilities, real estate interests, and fee-owned rights-of-way, easements, and other properties (Facilities) located on or near BLM-managed land in southern California that are part of our water distribution system. Metropolitan is concerned with potential direct or indirect impacts that may result from the construction and operation of any proposed solar energy project on or near our Facilities. In order to avoid potential impacts, Metropolitan requests that the final EIS and staff assessment include an assessment of potential impacts to Metropolitan's Facilities with proposed measures to avoid or mitigate significant adverse effects.

Metropolitan is also concerned that locating solar projects near or across its electrical transmission system could have an adverse impact on Metropolitan's electric transmission-related operations and Facilities. From a reliability and safety aspect, Metropolitan is concerned with development of any proposed projects and supporting transmission systems that would cross or come in close proximity with Metropolitan's transmission system. Metropolitan requests that the final EIS and staff assessment analyze and assess any potential impacts to Metropolitan's transmission system.

Water Resources: Potential Impacts on Colorado River and Local Water Supplies

Metropolitan is also concerned about the Project's potential direct and cumulative impacts on water resources, specifically potential impacts on Colorado River and local groundwater supplies. As noted above, Metropolitan holds an entitlement to imported water supplies from the Colorado River. Water from the Colorado River is allocated pursuant to federal law and is managed by the Department of the Interior, Bureau of Reclamation (USBR). In order to lawfully use Colorado River water, a party must have an entitlement to do so. *See* Boulder Canyon Project Act of 1928, 43 U.S.C. §§ 617, et seq.; *Arizona v. California*, 547 U.S. 150 (2006).

As noted above, the Project proposes to use approximately 2,440 af of water during construction and 1,644 afy for long-term operations, using groundwater from a groundwater basin that is hydrogeologically connected to the Colorado River, within an area referred to as the "accounting surface." The extent of accounting surface area for the Colorado River was determined by the

Mike Monasmith, Allison Shaffer

June 15, 2010

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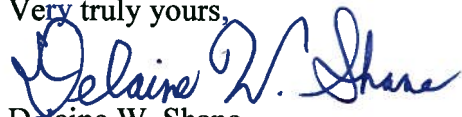
U.S. Geological Survey (USGS) and USBR as part of an on-going rule-making process. *See* Notice of Proposed Rule Regulating the Use of the Lower Colorado River Without an Entitlement, 73 Fed. Reg. 40916 (July 16, 2008); USGS Scientific Investigation Report No. 2008-5113. To the extent the Project uses Colorado River water, it must have a documented right to do so.

Entities in California are using California's full entitlement of Colorado River water, meaning that all water is already contracted and no new water entitlements are available in California. In addition, the California contractors have agreed in the 1931 Seven Party Agreement to prioritize the delivery of California's Colorado River water among themselves. Under this priority agreement, the following mitigation alternatives identified in SOIL&WATER-15 are no longer available to Proponents to mitigate impacts to Colorado River water resources: "payment for irrigation improvements in Palo Verde Irrigation District, purchase of water rights within the Colorado River Basin that will be held in reserve, and/or BLM's Tamarisk Removal Program." Instead, Proponents would have to obtain Colorado River water for the Project from the existing junior priority holder, Metropolitan, which has the authority to sell water for power plant use. Mitigation measure SOIL&WATER-15 should be revised accordingly. Metropolitan is willing to discuss the exchange of a portion of its water entitlement subject to any required approvals by Metropolitan's Board of Directors and so long as the Proponents agree to provide a replacement supply through an agreement with Metropolitan. Proponents must fully address the impacts on Colorado River water resources and provide full mitigation for such impacts, including replacement of supply.

Additionally, CEC and BLM should assess the potential cumulative impacts of the use of the scarce Colorado River and local groundwater supplies in light of other pending renewable energy projects within the Colorado River Basin and the local groundwater regions. Metropolitan requests that the final EIS and staff assessment address the Proponent's water supply and any potential direct or cumulative impacts from this use.

We appreciate the opportunity to provide input to your planning process and we look forward to receiving future environmental and related documentation on this project. If we can be of further assistance, please contact Dr. Debbie Drezner at (213) 217-5687.

Very truly yours,



Delaine W. Shane

Manager, Environmental Planning Team

DSD/dsd

(Public Folders/EPT/Letters/EPT Final Letters PDF/2010/15-JUN-10A.doc)

Enclosures: Map

- MWD Transmission Line
- BLM Furnished ROW
- MWD Fee Property
- MWD Easement

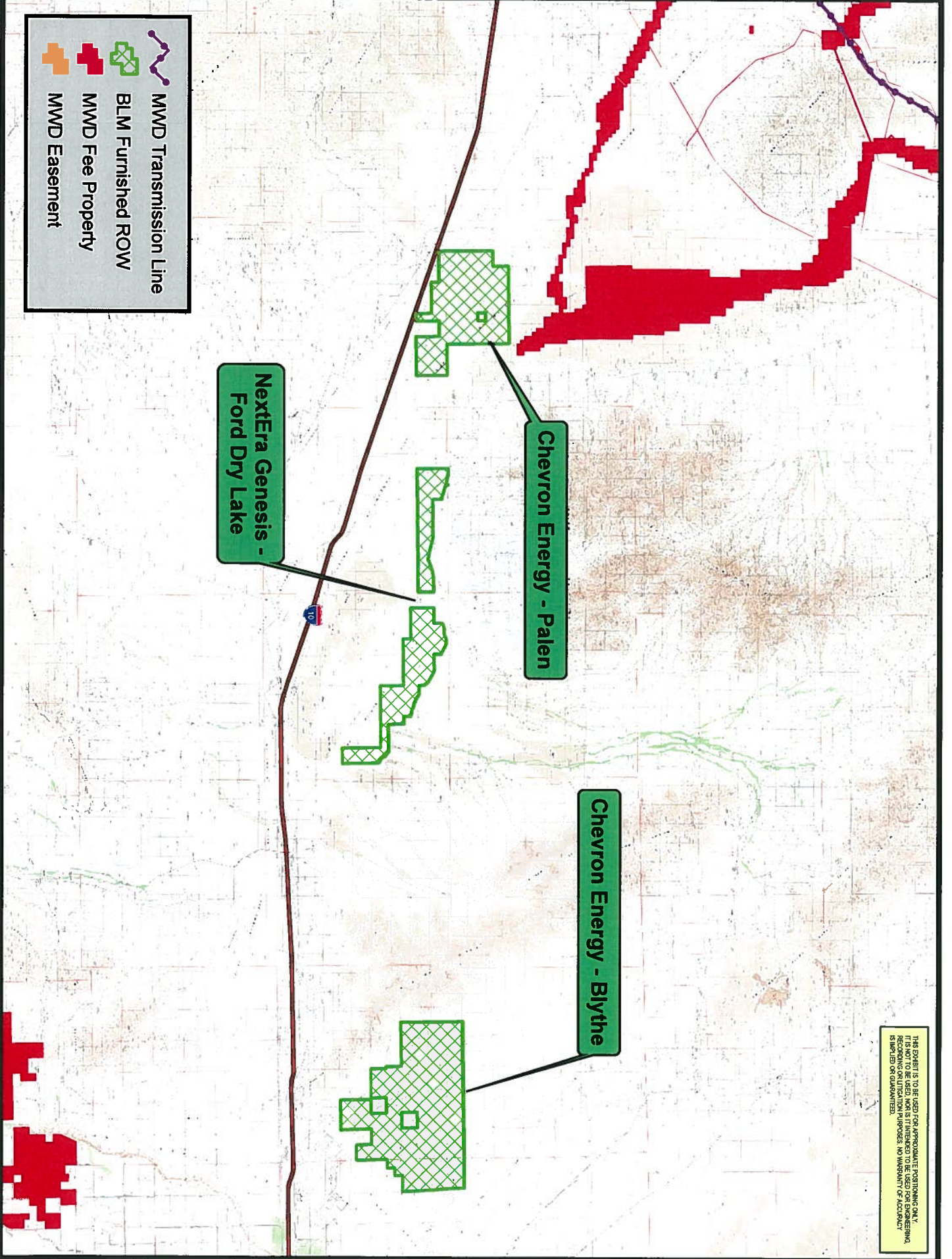
NextEra Genesis - Ford Dry Lake

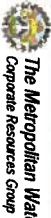
Chevron Energy - Palen

Chevron Energy - Blythe

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Renewable Energy Projects
MWD Right of Way




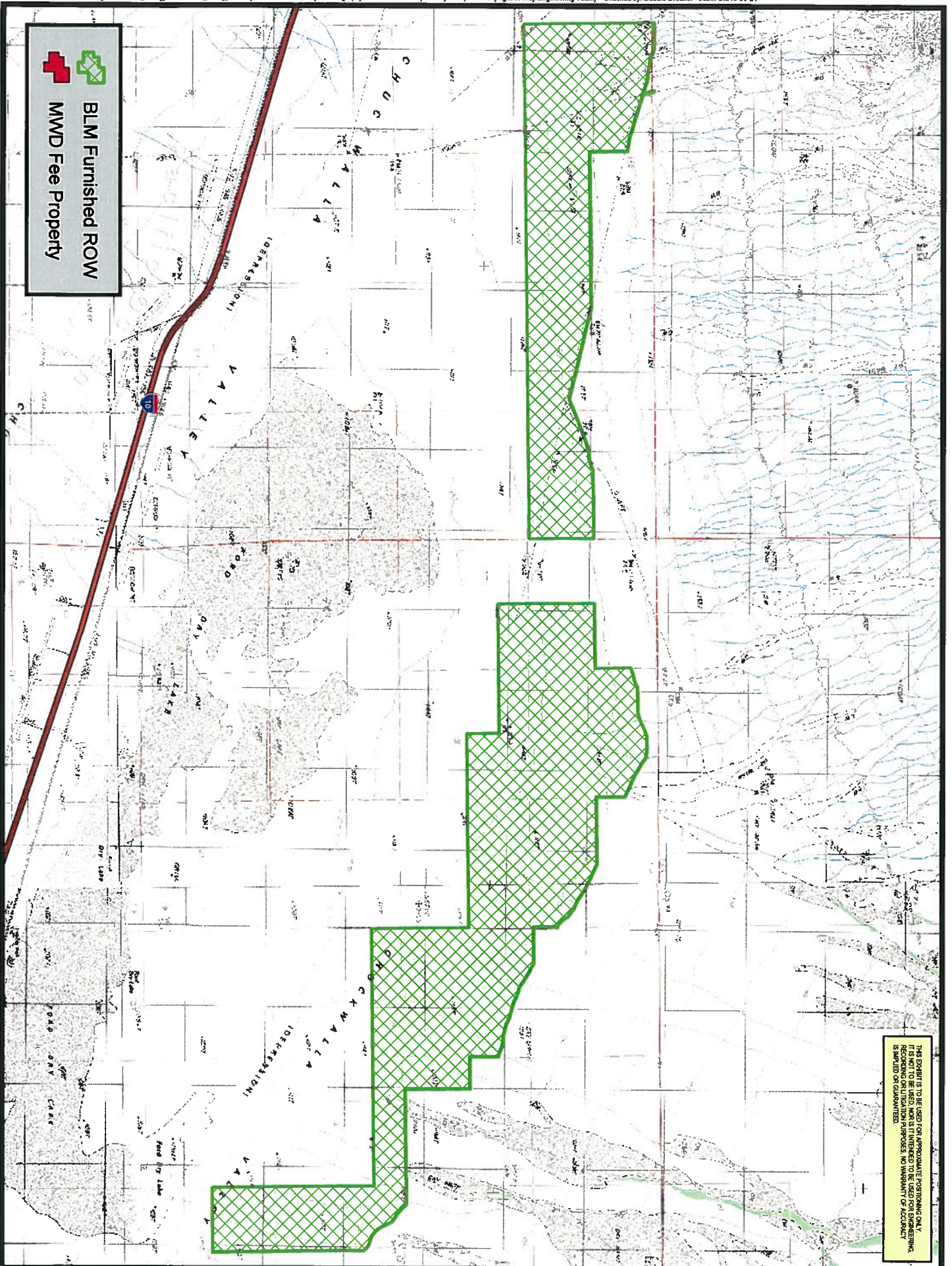


The Metropolitan Water District of Southern California
Corporate Resources Group

Renewable Energy Projects

NextEra - Genesis



BLM Furnished ROW
MWD Fee Property



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