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ORANGE COUNTY

August 27, 2018

**Via Certified Mail Return Receipt
Requested, & U.S. Mail**

David Kates
The Nevada Hydro Company
3510 Unocal Place, Suite 200
Santa Rosa, CA 95403

LOS ANGELES

**RE: Sycamore Creek Community Association
Lake Elsinore Advanced Pumped Storage Project (FERC Project No.
14227) Study 34 - Alternative Northerly Transmission Alignments
Lake Elsinore Advanced Pumped Storage Project Riverside County,
California**

RIVERSIDE COUNTY

Dear Mr. Kates:

SAN DIEGO

Thank you for the opportunity to comment on the Federal Energy Regulatory Commission ("FERC") requested study of the northern most transmission line segment of the proposed Lake Elsinore Advanced Pumped Storage ("LEAPS") Project ("FERC") (FERC Project Number 14227).

SAN FRANCISCO BAY AREA

In 2007, approximately 1,002 of the 1,734 (58%) homes in Sycamore Creek were occupied. At this time Sycamore Creek has 1,542 occupied with the remaining 192 homes under construction. Considerable development has occurred within the Sycamore Creek Community Association ("Association") and in the Temescal Valley during the eleven-year period from the 2007 FERC Final Environmental Impact Statement ("EIS") for the project that considered three alternative routes for the proposed connection to the existing Valley Serrano (V-S) transmission line. The northern transmission line alternative that has the greatest negative impact on the Association is FERC Alternative 3. In addition, FERC Alternative 3 would have a significant negative impact on other Temescal Valley approved residential development projects, as well as the Riverside County General plan zoning and land use. The four (4) proposed routes considered in the EIS are as follows:

- Route 1 - (FERC Alternative 1) This route remains in the Cleveland National Forest ("CNF") and ties to the V-S line within the CNF;
- Route 2 - (FERC Alternative 2) This route passes through Alberhill Ranch, tying to the V-S line above Lee Lake;
- Route 3 - (FERC Alternative 3) This route passes through the soon-to-be-developed area between Glen Eden Road and Horsethief Canyon Road; and
- Route 4 - Underground the transmission lines from Tower 43 to the V-S line. The underground transmission line would go from Tower 43 to a switchyard constructed on the Alberhill Ranch site, presently owned by Southern California Edison ("SCE"). The transmission line would then travel underground to the V-S line.

FERC requested that Nevada Hydro take a fresh look at these routes, considering current and planned development near the proposed and alternative segments, and summarize the potential effects of each transmission segment on land use, visual, terrestrial, and cultural resources.

DISCUSSION

The Association has reviewed the FERC and Nevada Hydro northern transmission line route alternatives and proposed route. These routes have been evaluated based on current planned projects, Riverside County General Plan land use, visual impact, terrestrial, cultural resources, economic impact, and community safety. In addition, a Route 4 is recommended for strong consideration by FERC and the Nevada Hydro Company. The following are the Association's key findings and recommendations for each of the proposed routes:

Route 1

FERC Alternative 1 – Northerly route remains in the CNF and ties to the V-S line in the CNF.

This route would extend the line corridor from the proposed Tower 43 northwesterly to a point where it would intersect with the V-S line, all within the CNF.

The access route to the V-S line is via Interstate 15 to Dos Lagos Drive, westerly to Knabe Road, southerly to Bedford Motor Way and westerly on Bedford Motor Way. This is a paved one-lane road for approximately one-half mile, and then becomes a dirt one-lane road (US Forest Service Road - 6S05). This road continues in a southerly direction for approximately 28 miles where it connects to the Ortega Highway (State Route 74).

Route Impact

The impact of this route on the Association and the Temescal Valley includes:

- The LEAPS northern transmission line segment would be contained within the CNF and not impact any residential or commercial entities.
- Containment of the LEAPS northern transmission line segment within the CNF eliminates the following negative impacts:
 - The Riverside County General Plan for the Temescal Canyon Area Plan and Elsinore Area Plan would not be affected by the LEAPS northern transmission line segment.
 - Blockage of emergency escape routes out of the Temescal Valley via the Interstate 15 Freeway, Temescal Canyon Road, and De Palma Road due to fallen transmission lines during a fire or earthquake event would be eliminated.
 - Wildland fire fighting activities, requiring helicopter, fixed wing aircraft and jumbo jets, would be impeded by the northern transmission lines. Any impediment to firefighting activities increases the risk of residential and commercial property damage/loss and slows fire containment. The recent Holy Fire required continuous morning to evening helicopter trips for eight (8) days, drawing water from Lee Lake and dropping it on the fire. This activity would be severely restricted if not blocked with a switchyard, transmission lines, and towers located next to Lee Lake (aka Corona Lake). The Lee Lake water source was critical to the Holy Fire firefighting activities and limiting property damage/destruction.
 - Loss of electrical power in a community in or near a wildland fire when transmission lines are de-energized due to the proximity of the fire would be eliminated.
 - The negative aesthetic impact of transmission lines on future and current homeowners would be eliminated.
 - The issue of electromagnetic waves from high voltage lines, regardless of the scientific basis of this theory, is perceived as a health hazard would be eliminated.
 - The limitations on residential and commercial development on land near the transmission line would be eliminated.
 - Economically, the reduction in tax (Property & Sales) revenue from the limited land uses and development activities on land near or adjacent to the transmission line corridor. The reduction in tax revenue will significantly reduce the County's ability to provide service levels needed by residential and commercial property owners. The revenue lost by the County will

far exceed the transmission line project construction costs. The transmission line project cost will ultimately be passed on to ratepayers using this energy source.

- o The Transmission Towers and Lines would directly, indirectly and cumulatively impact a protected water body, the Temescal Wash.
- o The Transmission Towers and Lines would affect vertical and horizontal clearances and control future development under and around these structures.
- o The Transmission Towers and Lines would limit and change development footprints.
- o The Transmission Lines would not need to cross the Interstate 15 Freeway. This would eliminate the possibility of transmission lines dropping onto the I-15 freeway during a fire or seismic (Elsinore Fault). This would help ensure public safety in the event of a community evacuation.

Recommendation

This route has the least negative impact on the Association and Temescal Valley and therefore should be approved.

Route 2

FERC Alternative 2 – Northerly route extends through Alberhill Ranch, and ties to the V-S line above Lee Lake.

This route would extend the transmission corridor from proposed Tower 43 northeasterly to an angle point southeast of Horse Thief Canyon, and then northerly through the former horse ranch at Alberhill to a point where it would intersect with the V-S line above Lee Lake, about 0.6 mile southeast of the existing proposed tie-in point.

This route would bring the transmission lines relatively close to the Horsethief Canyon Ranch subdivision and through portions of the Pacific Clay mining operation. Moving it further away from the residential areas would force it further into the Pacific Clay mining areas. A switchyard could potentially be constructed on the Alberhill Ranch site, presently owned by SCE.

Route Impact

- The impact of this route on the Association would be minimal. However, the transmission lines would cross the Interstate 15 Freeway. Transmission lines dropping onto the I-15 freeway during a fire or seismic (Elsinore Fault) event would represent a significant public safety issue and impediment in the event of a community evacuation.
- Pacific Clay has already expressed its strong opposition to any of its property being used for a transmission route. Further, this alternative would place the route near southeasterly edge of the Horsethief Canyon development.

Recommendation

This route has less of a negative impact on the Association but a significant negative impact on Temescal Valley and should not be approved.

Route 3

FERC Alternative 3 – Northerly route exit Cleveland National Forest through the undeveloped area between Glen Eden Road and Horsethief Canyon Road and connects to the V-S line at the currently proposed site.

This route would extend from the proposed Tower 32 northwesterly between Glen Eden and

Horse Thief Canyon roads and connect to the V-S line at the same point as the existing proposed tie-in point. The route would cross I-15 near what appears to be a vacant lot between I-15 and Temescal Canyon Road that could be used for a switchyard site.

Route Impact

The impact of this route on the Association and the Temescal Valley includes:

- The northern transmission line alignment would negatively impact the approved residential development projects which own 1,184 approved residential lots. These development projects are bordered on the west side by Horsethief Canyon Ranch and on the east side by Glen Eden and south side of De Palma Road. See the attached map.
 - Diversified Pacific Development Group ("Diversified Pacific")
 - Richland Communities (Renaissance Ranch)
 - Hill Country S.A., L.P. ("Renaissance Ranch")
 - Rich Haven, LLC ("Renaissance Ranch")
 - Richland Ventures, Inc. ("Renaissance Ranch")
 - Mission Pacific Land Company (JB)
 - MPLC JBJ Ranch, LP ("JBJ")
 - Pacific Coves Investments (SAM)
 - Sam Horsethief, LLC ("Sam")
- The switchyard would negatively impact the Lakeside high-end residential project which has already completed substantial portions of the entitlement process for a 410-unit residential development, which will be clustered around Lee Lake (aka Corona Lake) and located adjacent to Temescal Canyon Road. The switchyard will be located across the street from the Lakeside high-end residential project.
- The proposed LEAPS transmission lines would cross directly through the Lakeside's property and residential development area, including placement of tower pads.
- The placement of the switchyard would negatively impact the Temescal Wash and the commercial businesses adjacent to the switchyard location.
- The SCE Valley-Ivyglen Project which provides for the construction of a new single-circuit 115-kV subtransmission line in the Temescal Valley has been approved by the California Public Utilities Commission ("CPUC"). A segment of the new single-circuit 115-kV subtransmission line will be located at the same location as the LEAPS 500-kV transmission line where they cross the Interstate-15 Freeway. Both the SCE single-circuit 115-kV subtransmission line and LEAPS transmission line will cross the Interstate 15 Freeway at the same location with towers and poles at the same location on eastern side of the I-15 Freeway. The placement of the SCE LWS poles will be located alongside the LEAPS towers number 21, 22 and 10. This confluence of power lines, poles and towers represent a significant negative impact on the safety, health as well as the aesthetic of the surrounding community residents and businesses.
- The switchyard location would negatively impact the commercial land use identified in the Riverside County General Plan.
- The transmission lines along Route 3 would have the following negative impacts:
 - Blockage of emergency escape routes out of the Temescal Valley via the Interstate 15 Freeway, Temescal Canyon Road, and De Palma Road due to a fallen transmission lines during a fire or earthquake event would be detrimental.
 - Wildland fire fighting activities, requiring helicopter, fixed wing aircraft and jumbo jets, would be impeded by the northern transmission lines. Any impediment to firefighting activities increases the risk of residential and commercial property damage/loss and slows fire containment. The recent Holy Fire required continuous morning to evening helicopter trips for eight (8) days, drawing water from Lee Lake and dropping it on the fire. This activity would be severely restricted if not blocked with a switchyard, transmission lines, and towers located next to Lee Lake (aka Corona Lake). The Lee Lake water source was critical to the Holy Fire firefighting activities and limiting property damage/destruction.

- Loss of electrical power in a community in or near a wildland fire when transmission lines are de-energized due to the proximity of the fire.
- The negative aesthetic impact of transmission lines on future and current homeowners would result in the loss of property values.
- The issue of electromagnetic waves from high voltage lines, regardless of the scientific basis of this theory, is perceived as a health hazard.
- Economically, the reduction in tax (Property & Sales) revenue from the limited land uses and development on land near or adjacent to the transmission line corridor. The reduction in tax revenue will significantly reduce the County's ability to provide service levels needed by residential and commercial property owners. The revenue lost by the County will far exceed the transmission line project construction costs. The transmission line project cost will ultimately be passed on to ratepayers using this energy source.
- The Transmission Towers and Lines would affect vertical and horizontal clearances and control future development under and around these structures.
- The Transmission Towers and Lines would limit and change development footprints.
- The Transmission Lines could drop across the Interstate 15 Freeway during a fire or seismic (Elsinore Fault) activity which would create a significant public safety issue.

Recommendation

This route poses the highest threat to the quality of life, economic vitality, health and safety to the Association. The route has the highest negative impact on the Association and Temescal Valley and therefore should not be approved.

Route 4

Community Alternative 4 – Underground the transmission lines from Tower 43 to the V-S line.

The underground transmission line would go from Tower 43 to a switchyard constructed on the Alberhill Ranch site, presently owned by SCE. The transmission line would then travel underground to the V-S line.

Route Impact

- This route would mitigate the negative impact of the transmission lines on the Association, Horsethief Canyon Ranch community, Alberhill community and Pacific Clay.
- This route would also mitigate the negative impact of the transmission lines on Glen Eden and the Association. In addition, it would not impact the development of approved residential projects in the Temescal Valley.

Recommendation

This route has the least negative impact on the Association and Temescal Valley and therefore should be approved. This route would be secondary to route 1 in priority of approval.

CONCLUSION

In light of the proposed decision by the CPUC Administrative Law Judge to deny SCE's application for a certificate of public convenience and necessity for the Alberhill System Project, it raises the question if there is a real need for the proposed LEAPS project Northern Transmission line. SCE's successive forecast have predicted decreasing rates of load growth, with its most recent forecast now predicting load growth of 0.89 percent per year from 2017 to 2026 and pushing out the now relatively modest projected need for the Alberhill project from 2019 to 2021. Notwithstanding SCE's point that the CAISO's and SCE's forecasts are not directly comparable without adjustment, we note that the CASIO predicts declining electric demand at the Valley South system. Additionally, SCE's point that there are few examples of energy storage to

Kates | LEAPS Project

August 27, 2018

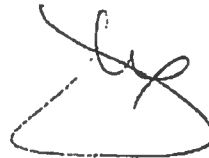
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demonstrate what its impact will be, there is no reason to expect it to have other than a downward impact on peak demand that increases as the technology continues to develop. Taken together with SCE's track record in forecasting local peak demand, these factors lead us to conclude that it is likely that local peak demand in the Valley South system will not exceed its capacity as soon as SCE predicts, if at all. (See ALJ/HSY/jr2 – Application 07-01-031 et al.)

The LEAPS projects northern transmission line has no positive impact on community residences, businesses, Riverside County, or Cities bordering this project. On the contrary, the project has a negative impact on the community's economy, quality of life, property valuation, future residential & commercial development projects, health & safety, aesthetics, cultural resources, biological habitat, and the Temescal Wash. This LEAPS project will benefit those ratepayers purchasing energy within and outside of California. Therefore, the only northern transmission line route that should be implemented is through the Cleveland National Forest (Route 1). While the northern transmission line alignment and placement will provide no benefit to the Association or the Temescal Valley, the cost associated with the northern transmission line placement will be amortized over the life of the project and be offset by the ratepayers purchasing the energy produced by this project.

Very truly yours,

TINNELLY LAW GROUP



MATTHEW T. PLAXTON, ESQ.

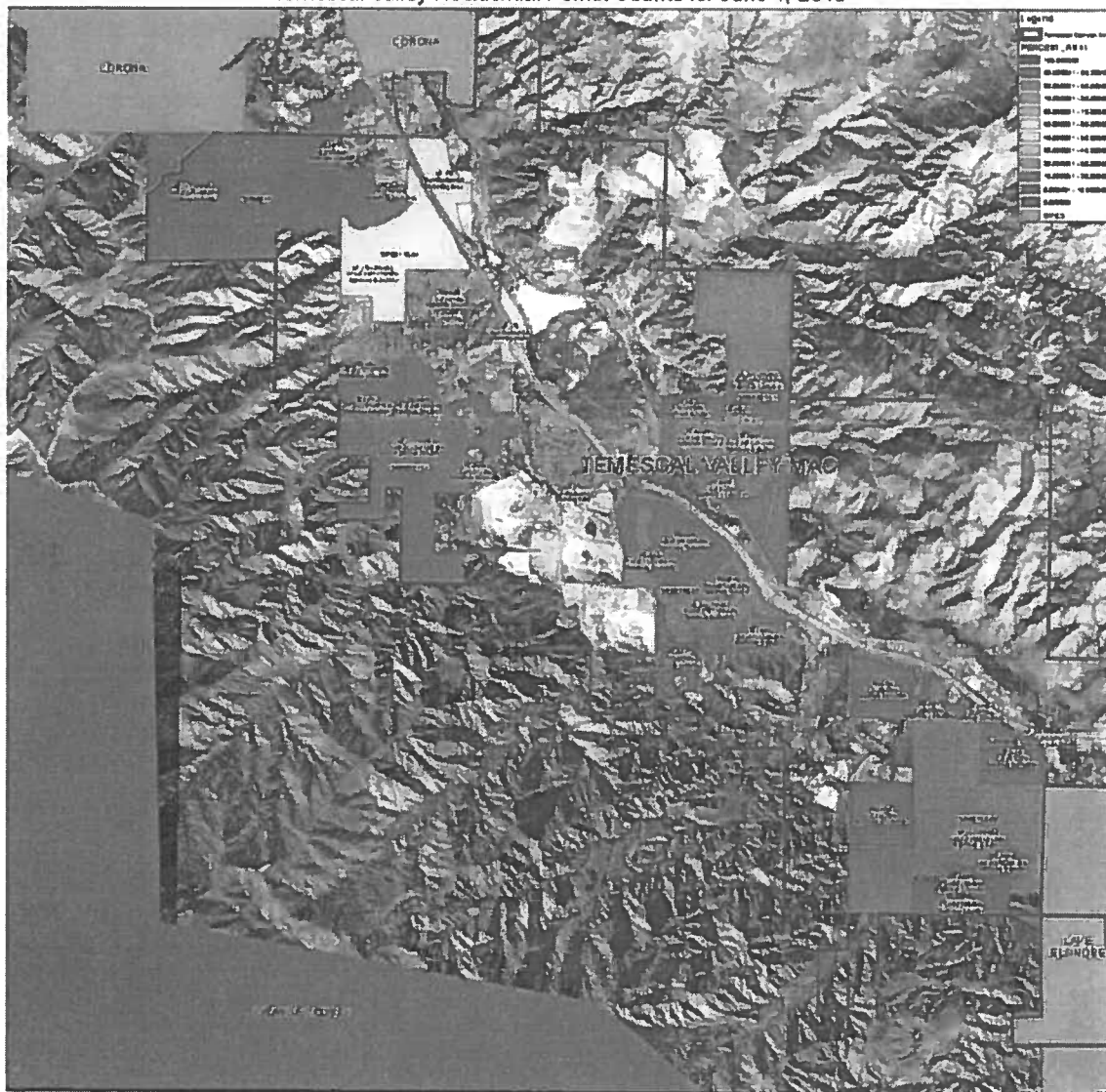
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**cc: Board of Directors
Sycamore Creek Community Association**

Set of 100 copies of this letter is being distributed to the Board of Directors of the Sycamore Creek Community Association for their review and comment. The Board of Directors is requested to provide comments to the undersigned by September 11, 2018.

TINNELLY LAW GROUP

Termescal Valley Residential Permit Counts for June 1, 2018



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