UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

July 13, 2009

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Place, N.E.
Washington, DC 20426

Subject: Final Environmental Impact Statement (FEIS) for Relicensing the South Feather Power Project – FERC Project No. 2088-068 - California (CEQ #20090186)

Dear Ms. Bose:

The U.S. Environmental Protection Agency (EPA) has reviewed the Final Environmental Impact Statement (FEIS) for the South Feather Power Project – FERC Project No. 2088-068. Our comments are provided under the National Environmental Policy Act (NEPA), the Council on Environmental Quality's NEPA Implementing Regulations (40 CFR 1500-1508), and Section 309 of the Clean Air Act.

We rated the Draft Environmental Impact Statement for this project as *Environmental Concerns- Insufficient Information (EC-2)* due to concerns about the analysis of the no-action alternative, potential impacts related to construction activities, and water quality impacts. We also requested additional information regarding impacts to endangered species, impacts of climate change on the South Feather Power Project, and the analysis of cumulative impacts. Many of our concerns regarding air quality, construction activities, and endangered species were resolved in the FEIS. Remaining concerns regarding the no-action alternative, water quality, cumulative effects, and climate change are summarized below.

No-Action Alternative

40 CFR 1502.14 of the Council of Environmental Quality regulations describes how an EIS should present the environmental impacts of the proposed action and alternatives (including the no-action alternative): in a comparative form, sharply defining the issues and providing a clear basis for choice among options by the decision-maker and the public. Although the FEIS provides a thorough analysis of the Proposed Action, as well as FERC's rationale for their preferred alternative (Staff Alternative), it does not present the information in a way that provides the reader with a clear comparison of the environmental effects of the no-action alternative with the other alternatives.

In the FEIS Response to Comments (p. B-2), FERC indicates that the broad environmental effects of operating the project under the no-action alternative are described in Section 2.1.2, Existing Project Operations Section, and project-specific effects are described in the affected environment sections for each resource; however, these sections refer to 'continued operations', 'existing operations' or 'current license', and it is unclear that these discussions are

intended to also serve as a part of the no-action alternative environmental analysis. The FEIS does not adequately present the alternatives in a comparative form.

EPA continues to recommend that FERC clearly present the environmental impacts of the no-action alternative so that its impacts can be adequately compared to the other alternatives. EPA recommends including this information on the no-action alternative in the Record of Decision (ROD).

Clean Water Act (CWA) Section 401 Requirements

We appreciate the updated description of the status of the Section 401 Water Quality Certification (WQC) provided in response to our comment. We also recognize that the California State Water Resources Control Board submitted a letter on January 20, 2009 which did not identify any new water quality issues nor request any additional analyses be included in the FEIS. EPA notes, however, that the WQC application was withdrawn and refiled on May 5, 2009. In light of this change, EPA recommends that FERC provide clarification of the reason for refiling and whether any changes were made to the application. EPA also continues to recommend that the WQC application should be discussed in detail as it relates to water quality impacts from current and future project operations.

Cumulative Effects and Climate Change

EPA continues to believe that the environmental review of this and future FERC projects could be strengthened by a more rigorous cumulative impacts analysis that evaluates all existing or proposed activities potentially affecting resources within the project area. A good example of a such an analysis can be found in the FEIS for the Kern River 2003 Expansion Project (June 2002, FERC Docket No. CP01-422-000).

Additionally, the discussions of cumulative effects in the FEIS do not mention the potential cumulative effects of climate change on the project area and how this may affect the operation of the proposed project. While it may be difficult to predict specific climate change effects, they should be identified and discussed to the extent possible, especially considering the long term nature of the proposed relicensing. EPA reiterates that a discussion of climate change and its potential effects on the proposed action and on the action's impacts should be included in the EIS, and recommends that FERC include this discussion in the ROD. We recommend this discussion include a short summary of any applicable climate change studies, including their findings on potential environmental and water supply effects and their recommendations for addressing these effects.

Thank you for the opportunity to comment on the FEIS. If you have any questions, please contact me at (415) 972-3521, or contact Tom Plenys, the lead reviewer for this project. Tom can be reached at (415) 972-3238 or plenys.thomas@epa.gov.

Sincerely,

Connie Dunn

FOR Kathleen M. Goforth, Manager
Environmental Review Office (CED-2)