AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER

☐ Consent X Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: County Administrator/Planning Department/County Counsel

FOR THE BOARD MEETING OF: November 9, 2010

SUBJECT: Response to the Notice of Preparation for the Draft Environmental Impact Report being prepared for the proposed City of Los Angeles Department of Water and Power Southern Owens Valley Solar Ranch Project

DEPARTMENTAL RECOMMENDATION: Review the Notice of Preparation (NOP) of Draft Environmental Impact Report (EIR) and approve correspondence to the City of Los Angeles Department of Water and Power in response to the NOP and authorize the Chairperson to sign.

SUMMARY DISCUSSION: The City of Los Angeles Department of Water and Power (DWP) has issued a Notice of Preparation (NOP) of Environmental Impact Report (EIR) for a proposed "Southern Owens Valley Solar Ranch" in the vicinity of Lone Pine (refer to Attachment 1). The purposes of the NOP, amongst others, include soliciting input into the scope of the EIR, possible mitigation measures, and alternatives. According to the NOP, the EIR will address all environmental issue areas in the Initial Study Checklist (refer to Appendix G of the Guidelines for the California Environmental Quality Act). Responses to the NOP are due November 15, 2010.

County staff has prepared a draft response to the NOP, which is included in Attachment 2, for the Board's consideration. A meeting was held on October 25, 2010 with County Department heads and other relevant staff to familiarize them with the project and begin soliciting input. The DWP held a public scoping meeting on October 28, 2010 in Lone Pine to describe the project and take scoping comments. Input from these meetings has been incorporated into the draft correspondence.

Due to the short time frame to respond to the NOP, staff anticipates providing an updated letter to the Board on November 9 and may continue to revise the letter until it is sent on November 15th. The County's socioeconomic specialists, Gruen Gruen + Associates (GGA), has prepared a paper to guide Department heads and other staff to provide specific comments regarding the NOP (refer to Attachment 3), and responses will be incorporated into the updated correspondence. Additional input from GGA is also expected, and will be folded into the updated correspondence as well.

ALTERNATIVES: The Board may consider additional input to be incorporated into the correspondence. Although the Board could refrain from submitting correspondence altogether, this alternative is not suggested due to the potential severity of impacts that could result from the project.

OTHER AGENCY INVOLVEMENT:

The County Administrator and Planning Director, in coordination with County Counsel, are overseeing the overall County response to the project and coordinating with DWP. All County departments are participating in the identification and documentation of potential impacts to the County. Other agencies, organizations, and persons will also be participating in the environmental review process, such as Caltrans, the California Department of Fish and Game, local tribes, other local agencies, etc.

FINANCING:

General funds are utilized to support staff's efforts in monitoring DWP's activities. Funding for the socioeconomic work is included in the Natural Resource Development budget (010204) for Fiscal Year 2010-2011.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved:_____ Date_____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)
(The Original plus 20 copies of this document are required) _____ Date:_____

Attachments:

1. Notice of Preparation
2. Draft Correspondence
3. GGA Suggestions for Identifying Socioeconomic Impacts

Department of Water and Power the City of Los Angeles

ANTONIO R. VILLARAIGOSA
Mayor

Commission
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AUSTIN BEUTNER
General Manager
RAMAN RAJ
Chief Operating Officer

NOTICE OF PREPARATION

DATE: **September 30, 2010**

TO: **Affected Agencies, Organizations and Interested Persons**

SUBJECT: **Notice of Preparation (NOP) of Draft EIR for the Southern Owens Valley Solar Ranch**

LEAD AGENCY: **Los Angeles Department of Water and Power**

The City of Los Angeles Department of Water and Power (LADWP) will be the Lead Agency and will prepare an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) for the proposed Southern Owens Valley Solar Ranch (SOVSR; project). The project involves development of a net generation capacity of 200 megawatts of solar photovoltaic electrical energy and associated equipment within an approximately 3,100-acre area in the southern Owens Valley in Inyo County, California. LADWP is requesting input from individuals, stakeholders, organizations, and agency representatives that may be interested in the proposed project as to the scope and content of the environmental information to be included in the project EIR.

The following information would be useful to include with your response:

- For agency respondents, please provide the name of the contact person for your agency, mailing address, e-mail, and telephone number. List any permit(s) or approval(s) under your agency's authority as well as any reasonably foreseeable projects, programs, or plans that may have an overlapping influence with the proposed project.

- For all respondents, please provide contact information and identify the environmental information and issues that you believe should be addressed in the EIR including any suggested alternatives to the proposed project.

A description of the project, its location, and preliminary determination of the environmental resource topics to be addressed in the EIR are contained in NOP Attachment A. The public comment period for the NOP will start on October 1, 2010, and end on November 15, 2010, lasting approximately 45 days. Please ensure that mailed comments are postmarked on or before November 15, 2010 and that email and fax transmittals are sent prior to the close of business (5:00 p.m.) on November 15, 2010.

The NOP and Attachment A are also available for review at the following locations:

1. Lone Pine Branch Library
   Lone Pine, California 93545
   (corner of Washington & Bush Streets)
   (760) 878-0260

2. Big Pine Branch Library
   500 South Main Street, PO Box 760
   Big Pine, California 93513
   (760) 938-2420

3. Independence Branch Library
   168 North Edwards Street
   Independence, California 93526
   (760) 878-0260

4. Los Angeles Dept. of Water & Power
   Bishop Operations Office
   300 Mandich Street
   Bishop, California 93514
   (760) 872-1104

The NOP and Attachment A are posted on the main LADWP website at: **http://www.ladwp.com/envnotices.** LADWP has established a project website to provide ongoing project information including reports, schedules, and meeting dates. The NOP and Attachment A are also published on the project website, which is accessed using the following link: **http://www.ladwp.com/sovsolarranch.**

In addition to offering the opportunity to submit written comments, LADWP will hold a public scoping meeting to discuss the proposed project, environmental process, and provide agency representatives, individuals, and other interested parties the opportunity to make oral comments regarding the scope of the EIR. The scoping meeting will be held at the following time and location:

LADWP Southern Owens Valley Solar Ranch EIR Scoping Meeting
Thursday, October 28, 2010
6:30 PM to 8:30 PM
Statham Hall
138 Jackson Street
Lone Pine, CA 93545

Please mail, email, or fax your comments, and direct any questions to:

Ms. Shilpa Gupta
Environmental Planning and Assessment
Los Angeles Department of Water and Power
111 North Hope Street, Room 1044
Los Angeles, CA 90012
Email: shilpa.gupta@ladwp.com
Phone: 213-367-0610
Fax: 213-367-4710

Date: September 30, 2010 **Signature:** Charles C. Holloway

Charles C. Holloway
Manager of Environmental Planning and Assessment

NOTICE OF PREPARATION
ATTACHMENT A

DESCRIPTION OF PROPOSED PROJECT

PROJECT LOCATION

The Southern Owens Valley Solar Ranch (SOVSR) project would be a 200 megawatt (MW) net generating capacity solar energy facility using photovoltaic (PV) panel modules. Two potential sites for SOVSR are under consideration, each consisting of about 3,100 acres and each located on property entirely owned by the City of Los Angeles. Only one of these sites would be developed under the proposed project but both sites will be analyzed in the EIR. The northern alternative site is located northeast of the town of Lone Pine and west of the old train town of Owenyo, in Inyo County, California (see *Figure 1: Regional Location and Vicinity Map* and *Figure 2: Northern Alternative Conceptual Site Plan* included at the end of this document). The southern alternative site is located south of the town of Lone Pine and immediately northwest of the Owens Dry Lake (see *Figure 3: Southern Alternative Conceptual Site Plan*). Both sites are located adjacent to regional transmission lines owned and operated by LADWP.

PURPOSE AND NEED

As a result of the California Global Warming Solutions Act (Assembly Bill 32, 2006) and subsequent related bills, executive orders, and mandates, LADWP is committed through its Renewable Portfolio Standard (RPS) to generating 35 percent of its retail electric energy sales from renewable energy resources by the year 2020. As of mid-2010, LADWP had established a renewable project portfolio amounting to about 19 percent of its total electrical demand, which is approaching LADWP's interim 2010 objective of 20 percent of electrical sales met through energy generated from renewable sources. Other pending state and federal legislation may require LADWP to meet additional interim RPS goals prior to the 2020 targets.

The City of Los Angeles continues to aggressively pursue all available avenues to reduce use of fossil fuels for energy production, including conservation programs, solar incentive programs (including in-city rooftop solar), construction and acquisition of wind power, and development of geothermal, biomass, and small hydroelectric power sources. To meet the year 2020 renewable standard, LADWP must increase renewable generation by another 15 percent over current levels and at the same time accommodate growth. According to the Southern California Association of Governments, population in Los Angeles is projected to increase by about 550,000 people between 2000 and 2025, resulting in an average increase of 62 MW in required generation capacity per year. To meet this demand and achieve the state's aggressive renewable energy goals, LADWP must continue to pursue a range of renewable energy prospects, including large-scale renewable power projects such as the proposed SOVSR.

The Owens Valley possesses excellent solar energy production potential. Based on data from the U.S. Department of Energy's National Renewable Energy Laboratory (NREL),

much of the floor of the Owens Valley has solar resource potential greater than or equal to six kilowatt hours per square meter per day. This resource potential is considered suitable to support commercial-scale solar development. Coupled with a slope of less than three percent and the ability to assemble parcels of one square kilometer or more, the valley floor has a high level of suitability for implementation of a commercial-scale solar development.

Considering solar resource potential and the use of PV solar technology, it is estimated that the proposed project's renewable energy contribution would be approximately 440 gigawatt hours for the first year after the commercial operation date is reached, and, due to the nature of solar PV technology, would decline at 0.5 percent per year thereafter. The energy would be produced primarily during the day and used to meet peak demand periods for power. This amount of energy is enough to serve approximately 75,000 households and reduce emissions of carbon dioxide by about 285,000 tons annually. When implemented, the project will contribute about four percent renewable energy towards LADWP's 2020 RPS goals.

PROJECT COMPONENTS

The primary elements of the proposed PV solar development are described below (see conceptual site plans provided in Figures 2 and 3). Overall, the net generating capacity of the proposed project will be 200 MW, which would be the alternating current (AC) output from the substation. The gross capacity is somewhat larger than 200 MW due to factors such as direct current (DC) to AC conversion inefficiencies, transformer and collection system losses, and the consumption of electricity at the facility itself. As mentioned above, the proposed project sites are each approximately 3,100 acres in size. The area covered by solar panels at both sites would be approximately 1,600 acres. The remaining area on each site would be used for other project components or would be left in a natural condition. The total acreage included in each project site would provide the flexibility to adjust the layout of SOVSR facilities to accommodate different types and outputs of solar modules and/or adjust for specific site conditions.

PV Modules and Electrical Equipment

LADWP is evaluating several different solar PV technologies and has yet to decide which technology would be utilized for the project. However, it is anticipated that the technology to be implemented would consist of either thin film or crystalline silicone PV solar cells. With both of these technologies, a number of individual solar cells are linked together (in series) and housed within an individual solar panel module. Each panel module has an output ranging between 75 and 280 watts, depending on the type of cell used. The modules are then grouped onto ground-mounted lightweight steel or aluminum structural frames. Foundation supports for the solar module frame could include concrete piers, drilled or driven piles, and/or other footing types. The PV modules would be positioned to receive optimal solar radiation with an approximate 20 to 30 degree angle from horizontal toward the south. The modules and supporting framework are assembled into rows, and the individual rows are arranged into larger arrays that together would form a power block of approximately one MW in capacity, depending on the exact type and layout of equipment used. Each one-MW block would require about 5,000 to 10,000 individual panel modules (depending on the module technology employed). Each one-MW block would cover approximately eight acres (see *Figure 4: Typical One-MW Power Block Layout)*. For

construction and operational purposes, the power blocks will be combined into 50-MW power units as shown on Figures 2 and 3. Overall, the project would provide 200, one-MW power blocks (four 50-MW power units). Each 50-MW power unit would cover approximately 400 acres.

The mounted panels would have a low profile, with the high end of the slightly tilted panel less than eight feet above the ground and the low end five feet above the ground. The area beneath the panels would remain essentially permeable; however, surface disturbance would include vegetation thinning or removal, ground leveling, drainage improvements, and potential soil stabilization (via planting, gravel, or other means).

Each one-MW solar power block would include one to two inverter units and a transformer unit. The function of the inverter units, which would be pad-mounted, is to convert the DC energy from the solar modules to AC energy usable in the LADWP transmission and distribution system. A power transformer, also pad-mounted, would be provided to step up the power from each block to 34.5 kilovolts (kV). The project may employ a single unit at each power block that integrates the transformers and inverters.

Onsite Power Collection System

The energy generated from the power blocks would be transmitted to the site's electrical substation through both underground and overhead collection system. Power from each power block would be collected via underground cables. Each 50-MW power unit would have a power collector station that receives and combines all energy from the power blocks. From the collector station, power would be transmitted via underground cable to a single PV integration station. At this point, power from the entire project would be combined and conveyed via overhead transmission line to the proposed electrical substation. It is anticipated that all the collection lines whether underground or on poles overhead would be placed near the edge of access roads that would extend throughout the site.

Access Roads

The project would include the development of new and the improvement of existing primary and secondary access roads. The primary access roads would be approximately 16 to 20 feet wide and would be graded and covered with approximately four inches of aggregate for stabilization, dust suppression, and erosion control. A limited number of primary access roads may be asphalt-surfaced as necessary to support heavier loads. The primary access road system may also include a road around the perimeter of the entire solar site.

Project secondary access roads would be included to provide access to the PV modules and power blocks for maintenance. The secondary access roads would be approximately eight feet wide and would be located between every other row of solar modules. The secondary access roads may also be covered with aggregate for stabilization, dust suppression, and erosion control.

Operations and Maintenance Building

A 3,000 square-foot steel operations and maintenance building would be located at the project site. The operations and maintenance building would be used for equipment storage and maintenance procedures, with a small office, shop, and bathroom. The shop would be

used for performing minor equipment repairs. The operations and maintenance building site also would include parking, secure exterior storage, water supply, and a perimeter fence.

Substation

An electrical substation would be provided to step up the power produced by the project from 34.5 kV to the proper voltage for transmission from the site (most likely 230 kV). The finished size of the project substation would be approximately 500 feet by 300 feet, or about 3.5 acres. The substation site would include appropriate breakers, step-up transformer(s), and interconnection to the existing LADWP Inyo-Rinaldi transmission line. The substation site would be fenced and locked. During construction, the substation site would be completely cleared of vegetation, the soil compacted, and the cleared area covered with crushed aggregate. Tentative locations of the substation for northern and southern alternative project sites are identified on the attached exhibits.

Power Transmission

Both of the potential project sites are adjacent to LADWP's 230 kV Inyo-Rinaldi transmission line, which would be used to convey the energy produced to the Los Angeles area. The existing transmission line has enough capacity to accommodate the energy generated by SOVSR; consequently, no new regional transmission lines are required for the proposed project.

GENERAL CONSTRUCTION PROCESS

It is anticipated that construction for the project would begin in July of 2012 and be completed by June of 2015. The total duration of construction would be approximately 36 months.

Construction of the solar project would consist of several tasks, including mobilization; clearing, grading, and trenching; construction of the framework foundations and frameworks; installation of the panels and system wiring; installation of the inverters and transformers; cabling and connections; operations and maintenance building erection; substation construction; and project commissioning. While these tasks are generally sequential in that some must precede others at a given location, a certain amount of overlap would likely occur in different locations within the project site as construction progresses. Construction would proceed continuously to completion.

Other than the acquisition, manufacture, and delivery of materials and supplies to the site, all construction activities, including construction laydown, soil excavation and stockpiling, equipment storage, and worker parking, would be confined within the project site boundaries. LADWP anticipates that the construction workforce could reach a peak of approximately 300 employees and would average approximately 175 employees. The peak construction workforce would occur for an approximately six month period near the middle of the 36-month construction period when numerous construction activities would occur simultaneously.

In order to augment the available living quarters in the local area that may be available for construction workers, LADWP plans to establish a temporary housing site for construction workers on an eight-acre parcel located north of the Owens Dry Lake, within the southern

alternative site (see Figure 3). This housing site would serve either potential site location. The temporary worker housing site would be connected to utility services.

The general access and egress routes during construction for both employees and construction deliveries would be provided by U.S. Highway 395 and State Route 136. Access to the northern alternative site would be provided by Owenyo Lone Pine Road from State Route 136. Improvements to this roadway would be required, including an approximate two-mile-long new segment and six-mile-long improved segment. The southern alternative site would be accessed from U.S. Highway 395 by using Lubken Canyon Road as well as a new access road from State Route 136. Lubken Canyon Road would be improved along its entire length between the project site and U.S. Highway 395. New access roads amounting to about 1.5 miles in length would be constructed to support the southern alternative site.

Individual solar panels would be delivered on flatbed trailers in palletized form and unloaded at the site. Other materials also would be trucked to the project site, including foundation supplies, module frameworks, building supplies, inverters/transformers, and construction equipment. Construction staging areas at each site would receive the delivered materials.

OPERATIONS REQUIREMENTS

The permanent staff assigned to the facility would number approximately 10 persons. These personnel would perform routine operational, maintenance, and security tasks. Routine maintenance is expected to occur during daylight hours only. The project would be monitored both on site and remotely to ensure that it is generating electricity to the specified capacity. Static PV arrays generate electricity without moving parts and general maintenance requirements are characteristically low. Maintenance activities, such as troubleshooting, repairing, replacing, or optimizing system components, would occur on an event-driven basis. Periodic washing of the solar panels, up to four times per year using about 12 acre-feet of water per year, may be required in order to preserve generation efficiency. The anticipated operations activities are as follows:

- Security patrol
- Panel module washing
- Equipment maintenance, repair, replacement, inventory, and ordering
- System power testing and monitoring
- Fire protection alarms and monitoring
- Vegetation maintenance and weed abatement
- Janitorial service
- Road repair and maintenance

DISCUSSION OF POTENTIAL ENVIRONMENTAL IMPACTS

The EIR will be prepared to identify the short-term, long-term, and cumulative environmental impacts resulting from construction and operation of the proposed SOVSR. All CEQA environmental resource issue areas will be addressed in the EIR; however, the level of analysis to be included may vary based on complexity of the issues, public and agency input on the NOP, and/or refinements to the project description that may occur subsequent

to the publication of this NOP. The EIR will include all topical areas of content required by CEQA, such as alternatives to the proposed project and growth-inducing impacts. For impacts that are significant, mitigation measures will be proposed to alleviate or avoid the significant impact(s). LADWP intends to evaluate the environmental impacts of the northern and southern alternative sites equally and then select one site for solar development. Other alternatives to the proposed project would be developed as the environmental evaluation progresses and with consideration of public, agency, engineering, and environmental staff input.

Initial assumptions about the general environmental impacts to be addressed in the EIR are provided below.

Aesthetics/Visual Resources

The proposed project would result in the placement of solar modules and facilities in an area of the Owens Valley that is essentially undeveloped and would convert approximately 3,100 acres (nearly five square miles) of open landscape and range land to solar energy use. The solar panel modules, which are dark in color, may result in a visible contrast in an area predominated by earth tones and scrub vegetation. Prominent viewsheds exist in the project area, including the broad expanse of the Owens Dry Lake, the panoramic view of Owens Valley from eastern Sierra roads (such as Whitney Portal Road), and potential views from Highway 395, from which the project site is visible in certain segments. Due to these characteristics, the project may potentially have an impact on scenic vistas and scenic resources. Aesthetic and visual resource impacts will be evaluated in the EIR by way of written and graphic analyses. Photo simulations of the proposed project from key observation points will be provided to assist the evaluation of impacts on sensitive visual receptors and resources.

The extent of sunlight reflecting off of solar modules and creating glare to nearby uses could degrade viewsheds and/or potentially affect aircraft flights within the Owens Military Operations Area Special Use Airspace that occur over or near the project site. The EIR will investigate the potential for the project to create a substantial source of glare that could affect nearby uses, views of the surrounding areas, or aircraft operations in the project area. In addition, the potential effect of any proposed night lighting at the solar facility will be evaluated in the EIR.

Agricultural and Forestry Resources

The proposed project site and adjacent lands in the Owens Valley currently support intermittent and seasonal livestock grazing; however, there are no active Williamson Act contracts on project sites, and no irrigated pasture exists on the sites. LADWP has facilitated livestock grazing on City-owned lands in the past through the issuance of grazing leases and is a party to several agreements with other entities regarding groundwater extraction, watershed management, grazing, and habitat management. These agreements include but are not limited to the 1997 Memorandum of Understanding between LADWP and various parties, such as the California Department of Fish and Game and State Lands Commission, concerning the Lower Owens River Project. The EIR will include an analysis of the project's potential for impact on agricultural and forestry resources (in this case watershed management lands) through displacement of uses, and it would also evaluate

project consistency with the sustainable use and multiple resource values of the existing agreements.

Air Quality

The proposed project is located in an area of Inyo County that is designated as non-attainment for particulate matter less than 10 microns in diameter (PM_{10}), which primarily originates from wind blowing across Owens Dry Lake. Most of the air quality impacts associated with the proposed project would occur during the construction phase and would include fugitive dust emissions from grading of and travel over dirt surfaces and criteria pollutant emissions from operation of construction machinery and construction delivery/worker transportation vehicles. Subsequent to construction, areas of the site cleared during construction may be slow to revegetate and could be a source of particulate matter during project operations if not stabilized.

The EIR will evaluate and quantify the short-term and long-term sources of air pollutants generated by the project, including mobile, stationary, and area source emissions. In light of the basin's non-attainment status, the EIR will evaluate consistency with regional and local air quality plans.

Biological Resources

The project could have an impact on biological resources during both construction and operations. A biological resources analysis will be conducted to identify and describe the existing biological resource conditions at both sites. Data base information, species research, and field surveys will be conducted to quantify the existing vegetation communities, wildlife habitats, and potential for occurrence of special-status plant and wildlife species on or adjacent to the project sites. Of particular interest in the project area is the proximity of the Owens River corridor, which provides important wetland and associated wildlife habitat for numerous plant and animal species. Portions of the project sites are known to be important foraging areas for Tule Elk and have the potential to support the Nevada oryctes (***Oryctes*** *nevadensis*), a plant designated as a species of special concern by the California Department of Fish and Game.

The EIR will analyze the potential impacts of the proposed project on biological resources, including potential impacts on vegetation communities, wildlife habitats, wildlife movement corridors, wetlands and waters, habitat conservation plans/protection ordinances, and sensitive and/or listed species.

Cultural Resources

The project is located in an area that includes high potential for occurrence of both historic and prehistoric resources. Potential resource impacts will be analyzed in the EIR. Information from the Eastern Information Center of the California Historical Resources Information System will be researched. Other data sources would include information from the Northwest Information Center of the California Historical Resources File System; analysis of sacred lands identified through consultation with the Native American Heritage Commission; and consultation with Native Americans and other interested parties (e.g., local historical societies). The evaluation will include an intensive field survey of the project

sites to determine whether prehistoric or historic resources could be affected by implementation of the project.

The evaluation will also address the potential for occurrence of paleontological (fossil) resources by consulting existing databases for known fossil finds near the project sites and reviewing geologic maps for potential occurrence of fossil-bearing formations.

Geology and Soils

The Owens Valley, like many areas of California, is a seismically active area and substantial ground shaking may be expected over the life of the project. The EIR will assess soil and geologic conditions of the project area and address hazards related to seismic activity, including the potential for liquefaction, ground-shaking, and soil failure.

The project would involve soil excavations for construction of solar module foundations, for the electrical collection system, and for the foundations of the operations and maintenance building, substation, and inverter/transformer stations. Although the site is relatively flat, considerable site vegetation clearing and leveling may be necessary to accommodate the solar panel modules and associated road system. The EIR will address the potential environmental effects related to soil stability and erosion potential.

Greenhouse Gas Emissions

The main source of greenhouse gas emissions associated with the proposed project would result from the combustion of fossil fuels during construction of the project. These emissions will be quantified using an acceptable methodology or model and will be evaluated consistent with CEQA requirements.

Operation of the proposed project is expected to have a net benefit relative to global warming by resulting in a net reduction in greenhouse gas emissions associated with electrical energy production (a specific purpose of the Global Warming Solutions Act of 2007). The EIR will address the potential construction- and operation-related impacts relative to greenhouse gas emissions.

Hazards and Hazardous Materials

The project will be evaluated for the presence of hazards or hazardous conditions that could affect construction and operation of the project, including the location of nearby or on-site hazardous waste sites included on state or federal databases, airport and airstrip hazard zones, emergency response routes, and wildfire hazards. The EIR will include a disclosure and analysis of any hazardous chemicals or operations associated with the proposed project that may affect adjoining properties during either project construction or operations.

Hydrology and Water Quality

The primary drainage feature in the project area is the Owens River, which flows in a southerly direction adjacent to both sites toward Owens Dry Lake. In general, surface runoff from the project sites would flow toward the river. The proposed solar project would result in changes to the project sites that could affect existing drainage systems and surface water quality. Grading of the site and removal of vegetation could increase the amount of storm water runoff and could affect water quality through increased potential for erosion.

A number of minor drainages flow over the project sites, and these drainages will be evaluated for jurisdictional features that would make them subject to regulatory permitting from either state or federal agencies. Impacts on flooding and flood plains will also be evaluated. Appropriate Best Management Practices aimed at reducing water quality and runoff effects will be considered for application to the proposed project.

Land Use

The proposed project would affect the use of the project property for at least the next 25 years and would need to be evaluated within the context of several land use plans and agreements of which LADWP is a party. The Lower Owens River Project and Owens Valley Land Management Plan establish resource management priorities on lands in the Owens Valley. Project consistency with the management objectives established in these plans would be evaluated in the EIR. Other potential land use effects to be evaluated would include compatibility with nearby uses and consistency with applicable local or regional ordinances or laws affecting solar energy.

Depending upon the nature and extent of temporary housing provided by LADWP for the project construction workers, potential effects related to land use compatibility, development standards, planning/zoning issues, and community character would be evaluated.

Mineral Resources

The project's long-term impact on mineral resource policies from local land use plans will be identified. Project demand for mineral resources, including need for sand and gravel, will be identified within the context of local supply.

Noise

The operation of heavy duty equipment and other construction activities would generate potentially significant noise levels during the construction phase, while the operation of solar panel modules and periodic maintenance activities would generate very minor levels of noise. Consequently, the EIR noise evaluation will address primarily construction noise impacts. Noise generation of specific construction equipment will be determined and resultant noise levels at property lines will be calculated. Transportation noise levels, including the potential for localized increases in noise adjacent to roadways, will also be addressed. Noise levels will be evaluated for consistency with applicable laws, regulations, ordinances and guidelines.

Population and Housing

Although Inyo County is the second-largest county in California in geographic area, it supports a population of only about 18,000 persons, with about 9,042 housing units. The communities within the County are limited in population size and economic diversity. The impacts of the project on population and housing would be primarily the result of the employment generated during construction (short-term) and operations (long-term). The peak construction work force would be approximately 300 workers for a six-month period and the average workforce would be approximately 175 workers during construction. The long-term permanent employment associated with the project would be about 10 full-time equivalent positions.

With limited housing availability, LADWP plans to provide temporary housing for construction workers and their families at a location within the southern alternative site. The EIR will address the short-term and long-term population, housing, and other socioeconomic impacts that would be caused by the project construction workforce. These effects could include physical and economic/fiscal changes within area communities associated with temporary housing, business climate, property values, housing stock, and community growth.

Public Services

With the accommodation of the construction workforce, there may be temporary increased demand for public services, including community facilities and schools, and an increased need for police and fire protection services. The EIR will evaluate impacts on police services, fire protection services, schools, parks, and other services that would directly and indirectly occur as a result of project construction employment and operations employment.

Recreation

The temporary workforce may increase the demand for recreation facilities, including local and community parks, in the project area. Tourism, in particular recreation-oriented tourism, is an important factor in the local economy. The EIR will evaluate the changes to existing recreation services and parks that may result from project implementation and will evaluate whether construction of the project could have other effects that could impact area recreation and tourism in general.

Traffic and Circulation

The project site is served by several two-lane paved and unpaved roads. Access to the project area is from U.S. Highway 395, State Route 136 and several local roadways, as noted above in the project description. The proposed project could have an impact during construction on local roadways, intersections, and safety due to the need to make certain local roadway improvements, as well as the increased traffic volumes and potential for oversize or high-weight loads. Traffic generation during operations would be minimal.

The traffic generated by construction and operation of the proposed project will be evaluated in a formal traffic study that will be included in the EIR. Construction-related traffic, consisting of equipment and supply deliveries, construction support vehicles, and worker commute traffic, will be quantified, and trip generation factors and traffic distribution routes will be determined. This information will be used to estimate traffic impacts at key intersections and roadway segments within the study area. In addition, the project's compliance with adopted transportation policies and plans will be included in the evaluation.

Utilities and Service Systems

Similar to the discussion under "Public Services," the proposed project may temporarily increase the demand for public utilities, including demand for electricity and natural gas, increased demand for water, increased generation of wastewater requiring treatment, and increased generation of solid waste. The EIR will evaluate the potential impacts of the proposed project relative to energy use, water supply, wastewater collection, treatment and disposal, and solid waste collection and disposal.

Figures

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Figure 1 Regional Location Map

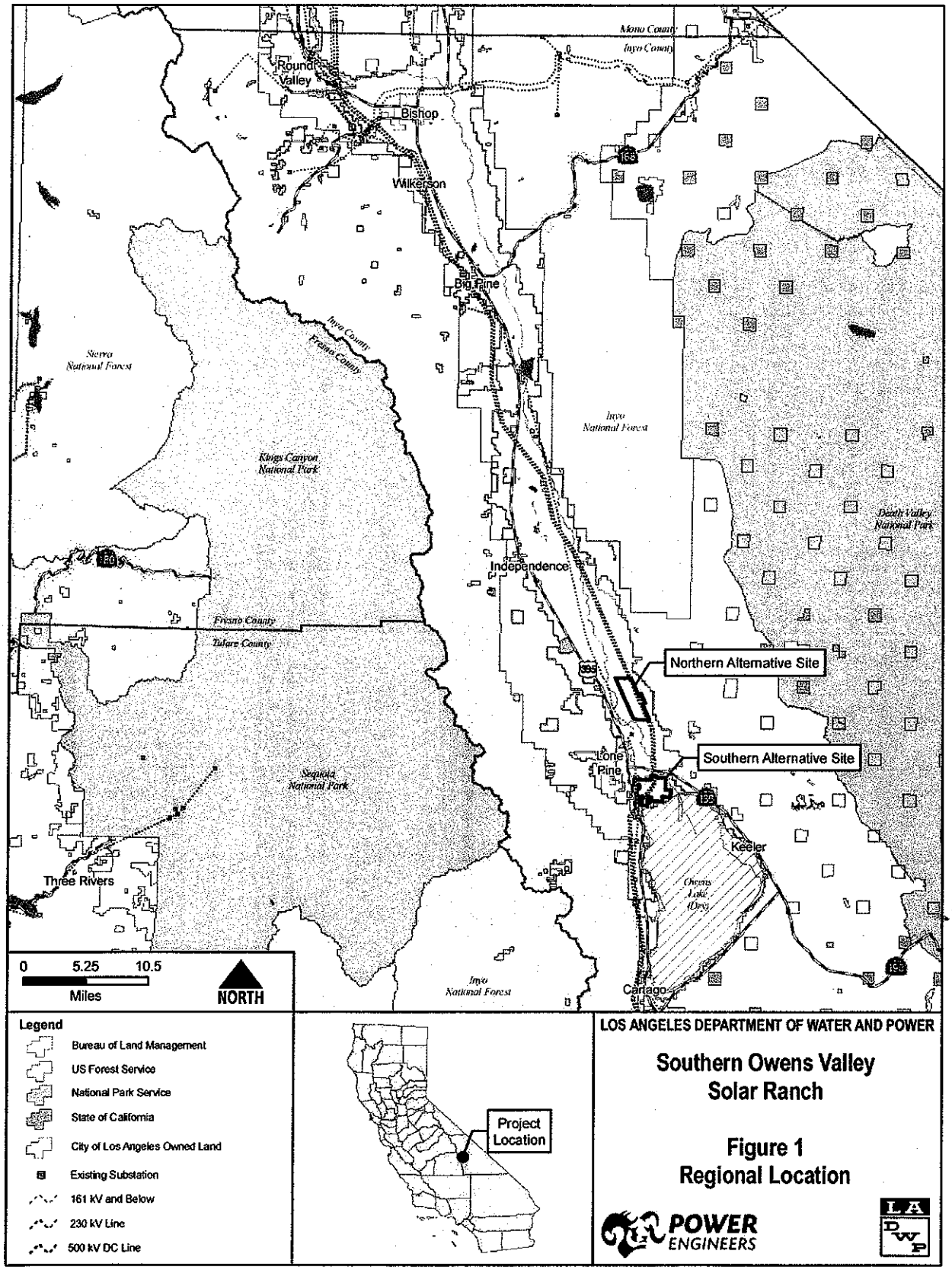


Figure 2 – Northern Alternative Conceptual Layout

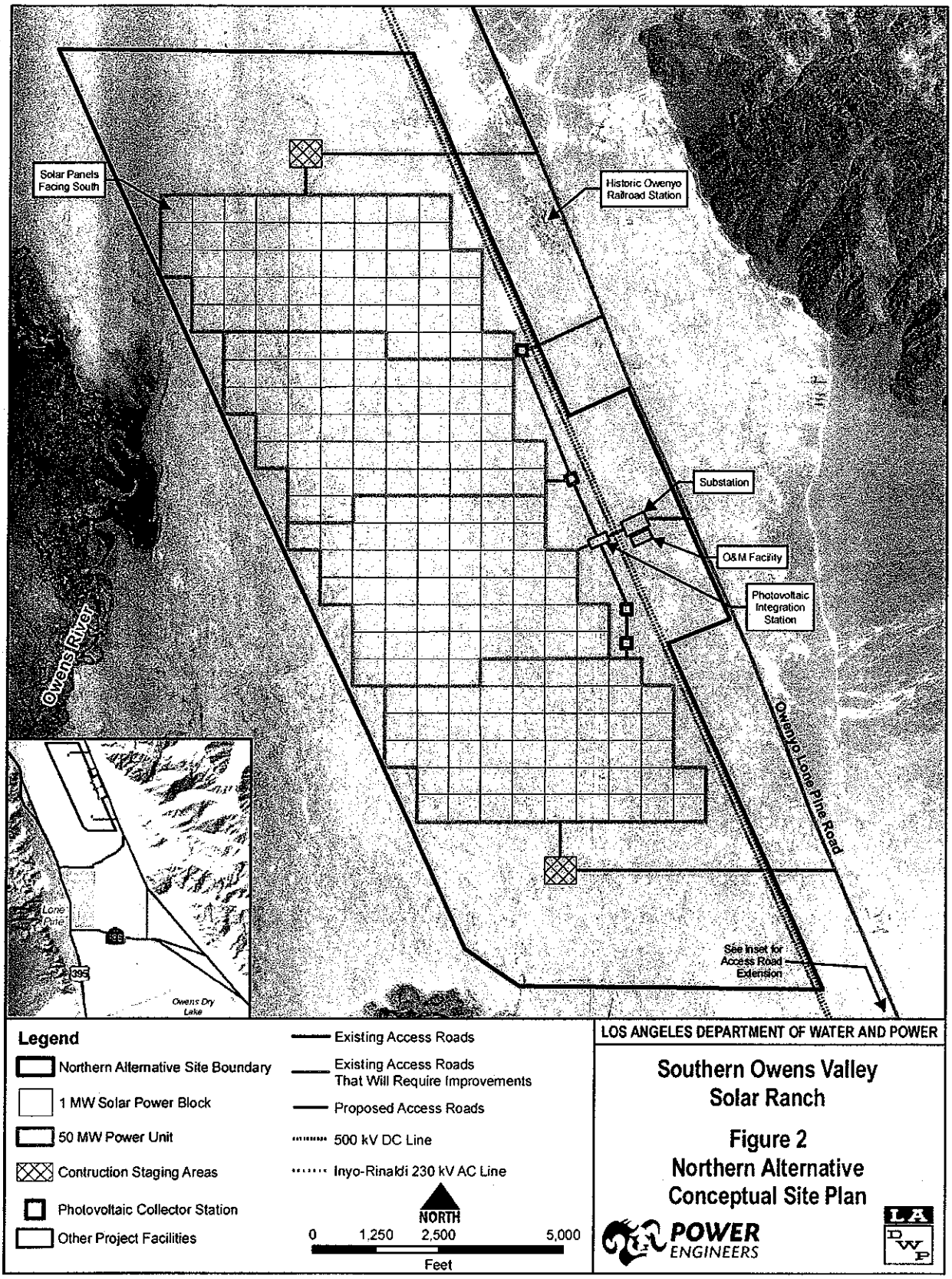


Figure 3 – Southern Alternative Conceptual Layout

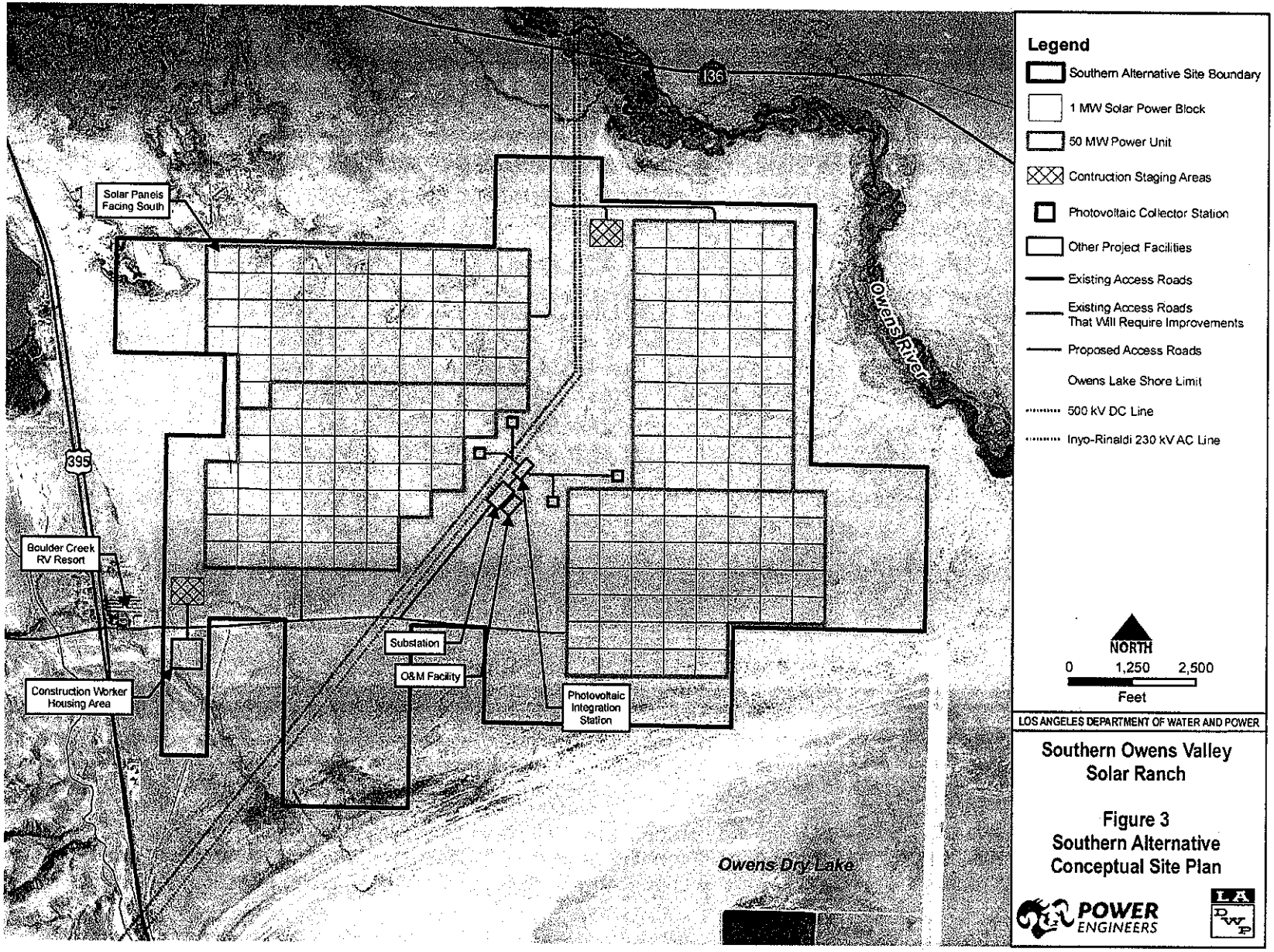
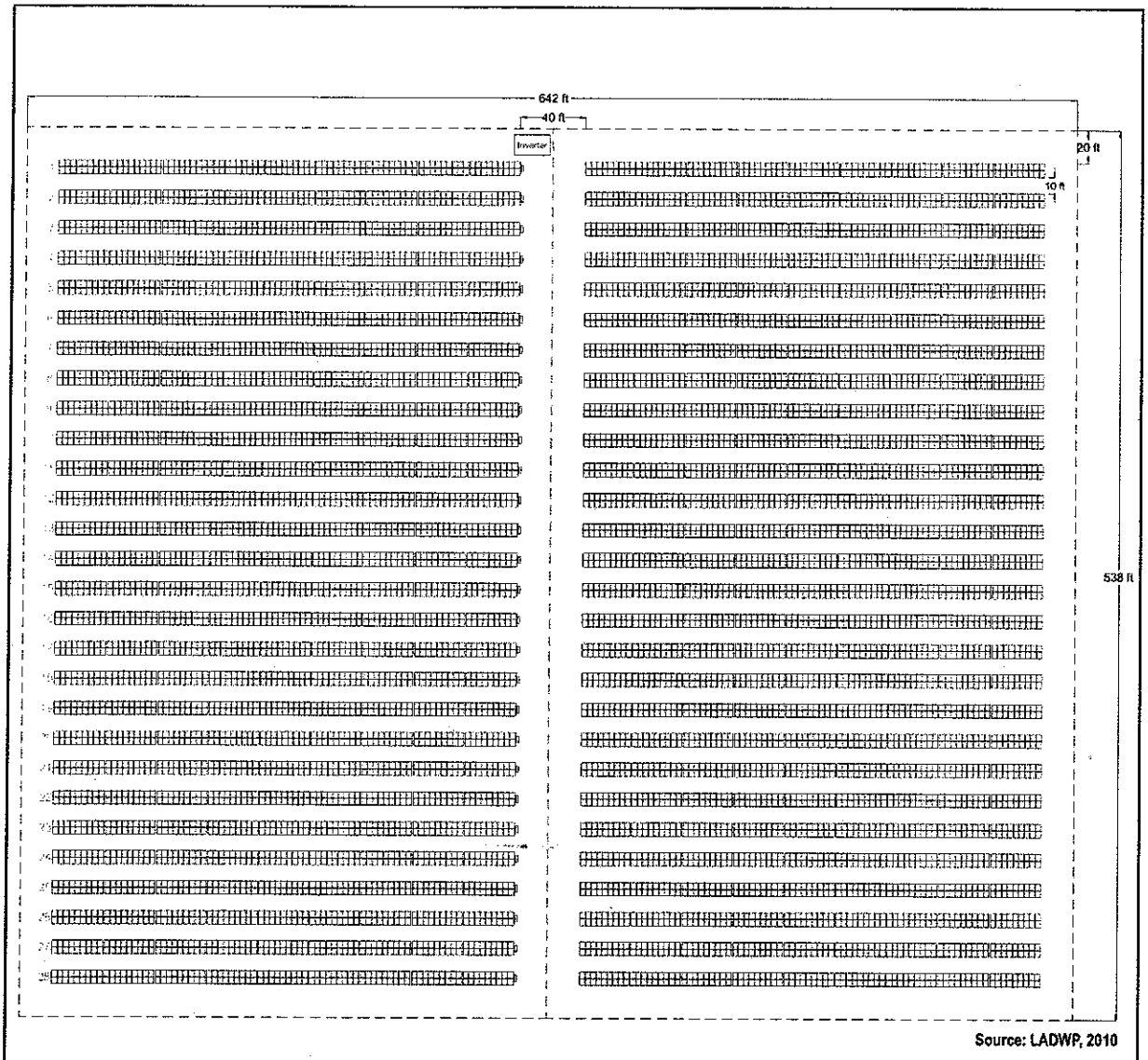


Figure 4 – Typical 1 MW-Block Layout



Source: LADWP, 2010

- Solar Modules Face South at 20 to 30 degrees from Horizontal.
- Up to 10,000 Modules per Block.
- Approximate Land Requirement is 8 acres per Block.
- Inverter Location is Variable.

LOS ANGELES DEPARTMENT OF WATER AND POWER

Southern Owens Valley Solar Ranch

Figure 4
Typical One MW Power Block

POWER ENGINEERS

LA DWP

BOARD OF SUPERVISORS
COUNTY OF INYO

P. O. BOX N • INDEPENDENCE, CALIFORNIA 93526
TELEPHONE (760) 878-0373 • FAX (760) 878-2241
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November 15, 2010

Ms. Shilpa Gupta
Environmental Planning and Assessment
City of Los Angeles Department of Water and Power
111 North Hope Street, Room 1044
Los Angeles, CA 90012

RE: Notice of Preparation of Draft Environmental Impact Report for the Southern Owens Valley Solar Ranch
SCH No. 2010091094

Dear Ms. Gupta:

On behalf of the Inyo County Board of Supervisors, I am pleased to continue working with the City of Los Angeles Department of Water and Power (DWP) to manage its lands and activities within Inyo County for the mutual benefit of all. The Board has consistently expressed its support of appropriate renewable energy development to work to achieve important local, State, and federal planning goals, and we are looking forward to effectuating these goals and developing smart renewable energy development in the Owens Valley and elsewhere in Inyo County. With this in mind, please consider the attached comments regarding the scope of the Environmental Impact Report being prepared for the Southern Owens Valley Solar Ranch in response to the Notice of Preparation.

Earlier this year, the County adopted a Renewable Energy Ordinance to support and regulate renewable energy development that applies to the proposed project, as discussed in more detail in the exhibit. The new ordinance requires DWP to either obtain a permit from or enter into a development agreement with the County before commencing construction of the project. As a result of the enactment of the Ordinance, the County is a responsible agency under CEQA with regard to this project and will use the EIR on the project to assess the impacts resulting from the issuance of a permit or the approval of a development agreement. Upon learning of the proposed project, County staff contacted representatives of LADWP in the hope of scheduling a meeting to discuss working together on this project,

but, as of this time, no meeting has been scheduled; however, we hope that a meeting can be scheduled in the near future.

We look forward to working with you to implement the Ordinance and anticipate that it will result in a better project for DWP, the County, and the general public. Please also note that we are working on updates to the Inyo County General Plan to address renewable energy, and we hope to coordinate those efforts with this project.

Thank you again for your consideration. If you have any questions regarding these matters, please contact the County's Administrative Officer, Kevin Carunchio, at (760) 878-0292.

Sincerely,

Richard Cervantes
Chairperson, Inyo County Board of Supervisors

Exhibit

cc: Board of Supervisors
Kevin Carunchio, CAO
Randy Keller, County Counsel
The Honorable Mayor of the City of Los Angeles Antonio Villaraigosa
City of Los Angeles Department of Water and Power Staff
Lone Pine Paiute Shoshone Tribe
Lone Pine Unified School District
Lone Pine Fire Protection District
Lone Pine Community Services District
Southern Inyo Hospital District
Governor's Office of Planning and Research, State Clearinghouse

Exhibit A
Detailed Inyo County Responses to Notice of Preparation (NOP) of Draft Environmental Impact Report (EIR)
City of Los Angeles Department of Water and Power (DWP) Southern Owens Valley Solar Ranch Project (SCH No. 2010091094)
November 15, 2010

1. The County adopted Ordinance No. 1158 regarding renewable energy on August 17, 2010.[1] This Ordinance encourages and regulates renewable energy development, such as that proposed by DWP and requires that DWP obtain either a permit from or enter into a development agreement with the County prior to commencing construction of the proposed project. As a result of the enactment of the Ordinance, the County is a responsible agency under CEQA with regard to this project and will use the EIR on the project to assess the impacts resulting from the issuance of a permit or the approval of a development agreement.

   The Ordinance provides three basic procedures for renewable energy projects: (1) a Renewable Energy Permit, (2) a Renewable Energy Development Agreement, and (3) a Renewable Energy Impact Determination. The DWP should review the Ordinance and make application pursuant to the Ordinance as soon as possible to expedite permitting and ensure that the EIR incorporates information required to process the application, as well as provide information regarding other requirements of the Ordinance. As indicated in the Ordinance, the County encourages processing a Renewable Energy Development Agreement.

2. The Inyo County General Plan[2] provides overall guidance and policy for land use development in the County. The General Plan has been prepared and updated with significant outreach, and incorporates important land use policy goals agreed to by the community and relevant stakeholders, including DWP. The Draft EIR should include a thorough consistency analysis of the project in regards to the General Plan. The following General Plan references are relevant to the proposed project.

   - *Land Use Element* – both of the sites of the proposed project are designated Natural Resources (NR). The proposed project is inconsistent with the NR Land Use Designation. The County is working to update the General Plan to address renewable energy, including this inconsistency.[3]
   - *Government Element* – Development of energy resources on both public and private lands be encouraged with the policies of the County to develop these

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1 Refer to http://inyoplanning.org/RenewableNewPage.htm for a copy of the Ordinance.

2 The General Plan may be reviewed online at the following link - http://inyoplanning.org/general_plan/index.htm.

3 Refer to http://inyoplanning.org/RenewableNewPage.htm for more information regarding the County's renewable energy planning, including the Renewable Energy General Plan Amendment currently underway.

energy resources within the bounds of economic reason and sound environmental health.

- *Circulation Element* – the Roadways and Highways Chapter works towards a safe and efficient transportation system.
- *Conservation/Open Space Element* – the Water Resources Chapter works to protect and restore environmental resources from the effects of export and withdrawal of water resources. The Biological Resources Chapter works to maintain and enhance biological diversity and healthy ecosystems. The Cultural Resources Chapter works to preserve and promote the historic and prehistoric cultural heritage of the County. The Visual Resources Chapter works to preserve and protect unique visual experiences for visitors and residents.
- *Public Safety Element* – the Air Quality Chapter works to promote good air quality, including reducing impacts from dust from Owens Lake and other sources. The Flood Hazard Chapter works to provide adequate flood protection. The Noise Chapter works to limit noise levels from stationary sources, includes noise compatibility standards in Table 9-9, and limits construction near sensitive receptors.

3. The project will result in increased population in the Southern Owens Valley. According to the NOP, the project will require an average of 175 workers, and up to a peak daily maximum of 300 workers. Based on average household size in Inyo County in the year 2000 of approximately 2.3, this may temporarily increase the population of Lone Pine by up to almost 700 people. Due to the relatively small population in the area (i.e., Lone Pine has a population of about 2,000), this increase will be significant. The EIR should evaluate potential impacts in regards to population and housing in light of the existing Lone Pine population and identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant.

4. The EIR should evaluate long-term land use compatibility and relationships with other planning. Land use compatibility issues include relationships with recreational, agricultural, and other uses in the vicinity of both project sites. On the southern project site, the relationship with Boulder Creek Resort, Diaz Lake, and the Lone Pine Airport are particularly important. In addition to the Inyo County General Plan, Zoning Ordinance, and Renewable Energy Ordinance, other relevant plans include the Owens Lake Master Plan, the Lower Owens River Project (LORP), air quality plans for Owens Lake, and the Long Term Water Agreement. The proposed project footprints appear to coincide with the LORP, and the EIR should include detailed consistency evaluation regarding the LORP.

5. The EIR should evaluate potential impacts on public services, both during construction and operation and identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. Due to the relatively small population in the Lone Pine area, the temporary increase in population resulting from construction activities will impact County services, as well as other public services.

- *Emergency Services* – the increased population will result in increased demand for emergency response services, such as Sherriff, fire protection, and emergency medical services. These services will be required for potential work-place incidents, as well as from the new workers and their families living in the area. The EIR should evaluate potential increases in demand for these services, and provide mitigation measures to offset impacts. Such mitigation measures could include providing funding for additional personnel and/or equipment for the Sherriff, the Lone Pine Fire Protection District, the Southern Inyo Hospital District, and other relevant public services to offset impacts to emergency services, and the EIR should evaluate the potential environmental effects of providing these services. Potential impacts should also be evaluated for services provided by other nearby communities and tribes. As many of the local service providers have relatively limited capacity, impacts could be severe.
- *Health and Human Services* – the increased population will result in increased demands for social services provided by the County, such as emergency shelter services, public health, and behavioral health services. Due to the small population in southern Inyo County, existing services are limited in capacity. The EIR should evaluate potential increases in demand for these services, and provide mitigation measures to offset impacts. Such mitigation measures could include providing additional personnel and/or equipment to offset impacts to these services. Potential impacts to tribal health and human services should also be evaluated.
- *Administrative Services* – the increased population will increase demand for other County services that may not be quantifiable, and may be limited on an individual basis, but are cumulatively considerable to the County. For example, DWP generally does not pay for recording fees, and requests for these services are expected to rise due to the project. Similarly, incremental increases will result in demand for library, legal, and other services provided by the County. Although this loss of income on a singular basis is relatively small to the County budget, the cumulative effect of small incremental impacts will be considerable overall. The EIR should address such impacts, and DWP should work with the County to evaluate this overall cumulative issue, both during construction and operation.

6. The EIR should evaluate potential impacts to infrastructure and utilities, as well as long-term maintenance of any new facilities, and identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. The temporary increase in population will result in the need for new infrastructure to support the population, such as water supply, wastewater treatment, stormwater conveyance, streets and highways, landfills, etc. Design of new streets, access, and intersections should be coordinated with the Department of Public Works. If in the long-term the County will need to maintain any new transportation facilities, DWP should identify means to support such maintenance. Short-term wear and tear on County streets and facilities should also be addressed. Disposal capacity at County landfills and recycling construction debris should be addressed to ensure that capacity is not compromised.

7. The EIR should evaluate potential impacts regarding water supplies, hydrology, and water quality and identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. The EIR should identify the proposed sources of water supply for all components of the proposed project. If the project results in the need for new wells, such wells should be evaluated within the context of the Long-term Water Agreement. Potential short-term and long-term impacts on hydrology and water quality should also be addressed. Wastewater treatment from temporary housing should also be analyzed.

8. The EIR should evaluate potential impacts on scenic views and aesthetics and should identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. The projects are visible or partially visible from Highway 395, Diaz Lake, the Owens River, Whitney Portal Road, Horseshoe Meadows Road, the Alabama Hills, and from most points in the Sierra Nevada and Inyo Mountains. Potential impacts from light and glare, and particularly nighttime lighting, should be evaluated.

9. Short-term impacts from worker commuting and materials delivery should be evaluated and the EIR should identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. A construction traffic management plan should be prepared to address oversized deliveries, street closures and traffic control, blocked access to property and businesses, street maintenance and debris removal, etc. Carpools and/or buses may be considered for transport of construction workers to the project sites, into Lone Pine, and other destinations.

10. Potential short- and long-term impacts regarding hazards and hazardous materials should be evaluated. Any hazardous substances utilized during construction should be identified and reasonable mitigation implemented. Transport of hazardous materials should also be addressed. Long-term issues regarding wildland fires, any hazardous materials or substance utilized in transmission facilities, and increased fire protection needs should also be evaluated. Any hazards in regards to the Lone Pine airport and military overflights should also be addressed.

11. The EIR should address existing grazing occurring within the proposed project areas, and the potential effects of relocating that grazing elsewhere, as well as mitigation measures and alternatives for such impacts.

12. The EIR should address short and long-term impacts to air quality and should identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. As dust is an issue with Owens Lake, mitigation measures should be instituted to minimize dust during construction, operation, and following the cessation of the project. In the long term, it may be beneficial for air quality, biological resources, and aesthetics to consider revegetating or maintaining onsite vegetation through construction.

13. The EIR should address potential socioeconomic impacts from the project and should identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. This type of project can lead to economic booms and busts that can lead to rapid expansion and subsequent decay, the results of which can impact the physical environment. Hiring and training of local workers should be considered to address this issue. In the past, DWP representatives have indicated that local workers would be hired. Consideration should also be given to manufacturing and/or assembling components in Inyo County, which can also address potential socioeconomic impacts, and reduce transportation-related energy use and emissions, including emissions of global warming gases.

    Potential impacts to the local economy and related impacts to the physical environment should also be addressed. Although renewable energy development may result in interest from some tourists, the long-term effects on the County's tourism-dependent economy by converting open space to solar energy development should be evaluated. Displacement of transient lodging opportunities for tourists by workers should be addressed. Also, potential impacts to specific business, such as the Boulder Creek Resort, should be evaluated.

14. The EIR should address potential impacts from the project to recreational uses and should identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. Impacts to recreation should be minimized to the greatest extent feasible. Potential issues include trails into the Inyo Mountains, hunting and fishing along the Owens River, and hunting in the vicinity of Owens Lake.

15. Potential impacts to mineral resources should be analyzed. In particular, the County is concerned about potential mining activities during construction and operational phases.

16. Short-term noise impacts should be evaluated, especially for sites in close proximity to existing development. The County's General Plan Noise Chapter provides guidance for noise issues.

17. The EIR should address potential impacts from the project to biological resources and should identify mitigation measures for such impacts and alternatives that will reduce the impacts to less than significant. Mitigation measures should minimize such impacts during construction, operation and following the cessation of the project. Potential impacts to biological resources should be minimized to the extent feasible. Coordination with the Owens Lakebed Master Plan and the Desert Renewable Energy Conservation Plan may provide mitigation opportunities.

18. Assurances should be considered in the EIR to ensure that if facilities installed are removed in the event they become non-operational. Guidance for this issue is provided in the Renewable Energy Ordinance.

19. The EIR should evaluate a range of alternatives to reduce identified impacts. Alternatives that should be considered for further analysis in the EIR include the following:

    - Alternative locations for the temporary housing should be considered. Developing the housing within or adjacent to Lone Pine may result in reduced impacts, as well as future housing opportunities for the community. By developing the housing in close proximity to existing infrastructure and services, the increase in demand can be minimized, trip making may be reduced, and the local community may be better activated by the project. It may also make more sense to provide smaller housing blocks at several locations to dissipate the boom and bust cycle.
    - Phasing development can reduce the cyclic increases and decreases in activity, thereby minimizing the boom and bust cycle. The EIR should consider alternatives to phase development and thereby minimize temporary impacts to public services and infrastructure, socioeconomic impacts, and the potential for decay.
    - It is understood that low-water using technologies are being considered for the EIR. If instead high-water using technologies are selected, alternatives that minimize water use should be considered. Alternatives to the proposed project that employ solar thermal technologies instead of the proposed photovoltaic technology should be discouraged because of the associated increased water use required.

20. A thorough analysis of potential cumulative impacts should be prepared. Of greatest importance is any future plan for renewable energy development in the vicinity, such as on Owens Lake. Information sharing for any environmental review for the Owens Lakebed Master Plan should also be pursued to ensure that any potential cumulative impacts from that project in conjunction with the Southern Owens Valley Solar Ranch are addressed. Transmission and intertie issues should also be evaluated, as applicable.

21. Since the EIR will be evaluating two proposed locations for the project, the EIR should contain detailed descriptions of the proposed project at both locations—and at any other locations that may be considered as project alternatives.

SUGGESTIONS WHEN IDENTIFYING POTENTIAL SOCIO-ECONOMIC IMPACTS OF TWO POSSIBLE LOCATIONS FOR A SOUTHERN OWENS VALLEY SOLAR RANCH

Changes That Would Be Induced by the Proposed Project

The City of Los Angeles Department of Water and Power (LADWP) is proposing to build what they refer to as the Southern Owens Valley Solar Ranch (SOVSR) in one of two Inyo County locations. The two locations are described in the first paragraph, page A-1 of LADWP's Notice of Preparation (NOP) and shown in the figure referred to in that paragraph. This memo is written to define terms and suggest the kind of questions that County staff should ask themselves and answer in order to identify information that should be included in the scope of the investigation and analysis to be included in the Environmental Impact Report that LADWP will commission.

The components of the project are described on pages A-2 through A-4 of the NOP, and include:

- 1,600 acres covered by solar panels, with the remainder of the approximately 3,100-acre site used for other components of the project or left as is;
- Underground and overhead wires to an electrical substation;
- Access roads (see second to last paragraph, page A-3)
- Operation and maintenance building
- Temporary housing for workers (see bottom paragraph of page A-4 and top of page A-5). Note the increased use that would be made of existing US 395 and State Route 136.

The anticipated operation of SOVSR is summarized in the second to last paragraph on page A-5 of the NOP.

The Task – Identifying the likely economic and social impacts of the proposed projects and asking for a relevant description of the environmental impacts that would induce these economic and social impacts or effects

The immediate challenge facing all the Departments of the County is to guide the writers of the LADWP's Environmental Impact Report (EIR) to provide the information about what the California Environmental Quality Act (CEQA) defines as secondary economic and social impacts. Ideally, the report itself will provide the public and the County enough information about how alternative decisions about the project will alter the future economic and public fiscal base of the County and the standard of living of its citizens. But this may be too much to expect. Therefore, at a minimum, County staff must alert the framers of the EIR to the type and level of information needed about the direct or primary environmental impacts of the project to subsequently translate these impacts into an understanding about how project-induced changes in the environment could alter the economy of Inyo County, the standard

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of living of its citizens and the County's budget (fiscal impacts).

Below we describe the type of questions that should be posed now, so that the draft EIR will answer how and to what degree the project will or could alter the economic and social environment of the county. For example, ask that the EIR scope provide a description of to what extent the visual or aesthetic views of the project are likely to alter what people see when they visit the area.

Categories of Potentially Induced Positive and Negative Economic Impacts

The planning, design and construction of SOVSR on either of the two sites will alter the physical environment and introduce additional human activity into the area. County staff should review pages A-6 through A-10 of the NOP to refresh their own minds about the kind of environmental changes that will be the primary focus of the EIR. Staff should most certainly list any particular conditions that they and others in their department know to exist, and bring those to the attention of the LADWP. That exercise is useful both to assist the drafters of the EIR not to miss any of the direct impacts of their project, and to help County departments focus on the resource and human activities that exist or could exist in the area as a result of the project

But picturing what is physically present in the area and may be disturbed is not the primary purpose of the document the County must now prepare for the drafters of the EIR. County departments now need to scope the EIR so that it produces information that will identify (or enable the County to subsequently identify) the potential positive benefits and negative burdens that the project will bring to the lives of Inyo citizens and the County's economic base (i.e. tourism) and budget. In other words, you should consider the environmental changes likely to result from the development and operation of SOVSR, and ask that the scope of the EIR provide the specific kinds of information about these changes to permit prediction of how the environmental changes will affect economic and social conditions positively or negatively.

Figure 1 lists examples of such positive and negative impacts or benefits and burdens as they are likely to flow from the projects two phases:

1. The short term – which has already started and covers the planning, design and construction of SOVSR on one of the two sites;
2. The long term -- the operations and maintenance of SOVSR on one of the two sites.

The examples of potentially positive and negative socio-economic effects listed under the two phases are typically categorized as Economic, Fiscal and Spillover, or external secondary effects. In the hope that they will be useful to staff as they organize their thinking about the

potential social-economic effects and their likely physical sources (the environmental changes induced by the project), we define these terms below and then discuss them in the following sections of this paper.

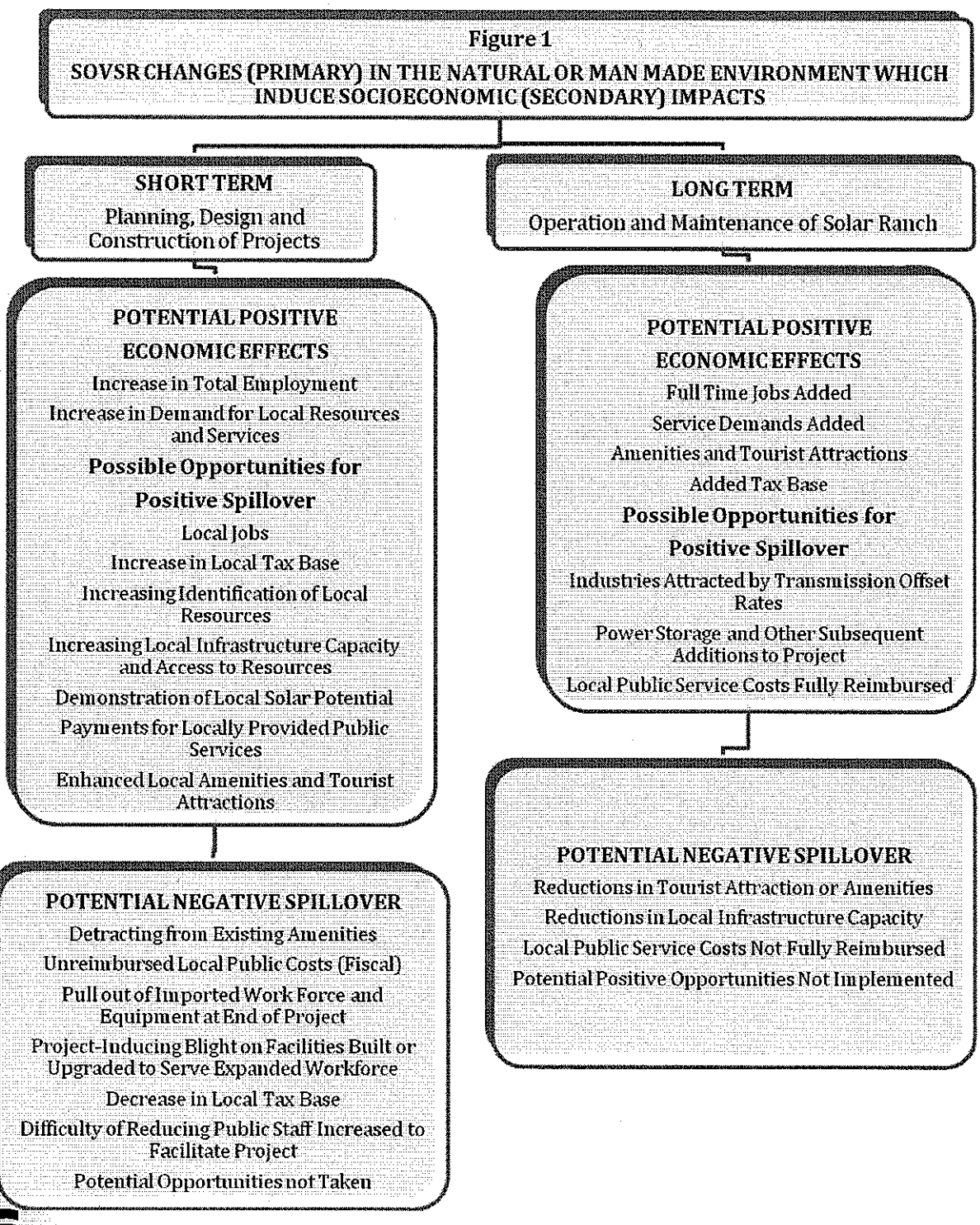
- **Economic**. Economic effects are typically thought of as impacts that work to increase (positive) or decrease (negative) the availability of jobs, income earnings and the value of locally produced output in goods and services.

- **Fiscal.** Fiscal effects are those that either increase the flow of taxes, fees and other revenues into public coffers (positive or benefits), or those that add costs to the public sector (negative effects or cost additions).

- **Spillover or External Secondary.** These are effects that happen as a result of a project *other than those that are directly connected to the purpose of the public or private project or business.* Such effects can be positive or negative, and they may have either economic or fiscal results. The reason we are including this definition in this paper, although it is often used in conjunction with economic or fiscal effects, is that the most significant fiscal and economic potentials that are often unrealized are those positive *spillover* effects whose potential was not identified at the outset of a project or business, or negative *spillover* effects that are not avoided because no one thought them possible or probable before the start of a new venture.

Figure 1

SOVSR CHANGES (PRIMARY) IN THE NATURAL OR MAN MADE ENVIRONMENT WHICH INDUCE SOCIOECONOMIC (SECONDARY) IMPACTS



Examples of Economic Effects and Their Sources

The jobs and income economic effects produced directly by the project are often thought of. You will no doubt have noted that the NOP plans on building temporary houses for the workers in the first of the two phases. An example of what you or other department staff will probably want to identify is that efforts to recruit and/or train local workers could save costs and resources, as those workers are already housed; if there is evidence or insights into the amount and skills of locally available labor, this should be included in the information provided to Kevin Carunchio's internal team preparing comments on the draft EIR scope.

An example of a negative spillover effect, the source of which was not covered in a previous environmental investigation, was provided by the Environmental Impact Statement for the Yucca Mountain Nuclear Repository. That EIS never estimated the probability of even a minor radiation spill occurring, when thousands of trips with canisters of radioactive material are transported from nuclear power sites to the nearby mountain repository. Had someone thought to include such an estimate in the physical or primary investigatory scope of the EIS, Inyo County would be able to identify and give a more pinpointed estimate of how tourism to the County would be affected by the operation of the nuclear repository than the range of induced declines in visitation predicted by the County's economist. In all likelihood, had such estimates be included in the Yucca EIS, we would still have noted some negative economic effect. But such an estimate would have been much more certain and possibly mitigatable than is the case when no estimate of the likelihood of such spills exists, even after multiple millions of dollars have been spent on researching the primary or direct effect of the proposed Yucca Mountain Repository.

In the light of the above example, think through what is occurring in the area that might contribute not just to tourism, but to all kinds of businesses, including mining and other kinds of resource exploitation that does *or possibly could* exist in the area. Then consider the changes likely to occur with the project that should be mitigated to avoid hurting such possibilities, or be encouraged and facilitated to help such possibilities. What job or income opportunities could be hurt or encouraged?

Secondly, what would hurt these opportunities (negative possible economic effects that need to be mitigated) or help them (positive economic effects that need to be facilitated)? When the answer suggests environmental change induced by the project that will affect the opportunity, indicate what you think the EIR has to learn about that environmental change or effect for its direct or secondary spillover effect to be understood.

The rather generic examples of positive economic effects in Figure 1 under the short term phase (increases in employment and increased demand for local resources and services) are meant to refer to the jobs and worker dollars that will be imported into the County by the construction of the project. The items under the listing "Opportunities for Positive

Spillover" refer to the spillover effects that could occur. If you think it feasible, suggest less generic, positive, short term economic opportunities to be facilitated similar to those listed, and add project procedures or spillovers not on the list:

- Ways and information to encourage the substitution of local for imported workers;
- Ways of encouraging the further exploration for minerals and other energy producing facilities as the project is charted, and/or materials, such as the aggregate, sourced locally;
- Adding to or expanding the roadways the project will build, so as to open access to other County resources;
- Enhancing other resources in the area or making them accessible, so as to attract visitors or other activities;
- Creating visitor "viewing platforms" and demonstrations so that the project itself becomes a positive tourist attraction.

Moving over to the long term phase, which covers the many years that the project will be producing electricity, the economic effect suggested by the NOP appears quite small, as relatively few workers will remain. These small job and income effects could perhaps be augmented if the EIR considers facilitating job-adding spillover, such as the generic possibilities listed under opportunities in the long term:

- The possibility of transmission offset electric fee reductions to industries that locate adjacent to SOVSR. Suggest the study of such feasibility and indicate any ideas you have as to what types of businesses might benefit from such reductions in rates.
- Including power storing facilities with the project.
- Offering tours and educational lectures on site.

Again, as is the case for short term, consider any project activities that would result in short term or long term congestion of the County's existing infrastructure and lessen the availability of existing resources. The extent that these instances of induced congestion are likely to exist, the EIR needs to be scoped to suggest mitigations.

Fiscal Effects and Their Sources

For both the short term development period and the long term operation and maintenance of SOVSR at either location, the scope of the EIR that you will add comes from the answer to questions that you and the people in your department are very used to asking:

- What additional services must we be prepared to provide to the project and how much will they cost?

- What fees or taxes will the project be paying to the County for those services?
- What is the likelihood that induced costs exceed revenues, given the present tax and fee structure?
- What changes need to be made to be sure that the project is at least revenue neutral?

The information needed to answer those questions must be suggested for inclusion into the scope of the EIR.

A Potential Positive Spillover or Direct Effect Avoided Is a Negative Impact

This paper is submitted in the hope that it will be helpful as Inyo County goes through the process of suggesting elements for the scope of the EIR to be done by the City of Los Angeles that will provide the information base to make decisions about the proposed SOVSR project. The EIR and its use in decision making must deal with many complexities. To avoid adding confusion to these processes, it is important to remember that *a feasible positive economic or social impact that is foregone because its possibility was not foreseen when the project was built and operated is a real cost to society and the community that serves as the project's host.* CEQA became a part of the State's laws in order to encourage beneficial developments and prevent negative effects from being neither avoided nor mitigated because they were unanticipated. That purpose applies as much to the secondary direct and spillover of economic, social and public fiscal effects as it does to the primary effects of development. Therefore, it is important that we all attempt to identify the possible causes and results of project impacts on jobs, incomes, productive output and the fiscal and social base of the community, as well as its effect on the physical environment and the availability of electricity.