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

April 4, 2011

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Subject: Final Environmental Impact Statement (FEIS) for Hydropower License McCloud-Pit Hydroelectric Project, Shasta County, California (CEQ # 20110064, FERC Project Number 2106)

Dear Secretary Bose:

We appreciate the opportunity to review the subject document pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508), and our NEPA review authority under Section 309 of the Clean Air Act. This letter conveys our comments, which were also prepared under the authority of, and in accordance with, the provisions of the Federal Guidelines promulgated at 40 CFR 230 under Section 404(b)(1) of the Clean Water Act (CWA).

EPA provided comments on the Draft Environmental Impact Statement (DEIS) on September 28, 2010. We rated the DEIS as Environmental Concerns – Insufficient Information (EC-2), and raised concerns about water resources and cumulative impacts. We are pleased the Federal Energy Regulatory Commission "Staff Alternative" has adopted the Forest Service recommended instream flows below the McCloud Dam, as it represents a more natural flow regime than was proposed in the DEIS. Additionally, we appreciate FERC's clarification that the DEIS did mention the need for a Section 404 Clean Water Act permit for the coarse sediment management plan. Because the full impacts of the management plan have not been described in the FEIS, it will require a separate NEPA process by the Army Corps of Engineers, as part of the Clean Water Act 404 permitting process.

While FERC's license can be reopened to address the need for fish passage for listed salmonids following their reintroduction to Lake Shasta, EPA remains concerned about the lack of a mechanism to streamline that process, given the likelihood of this occurrence. Our concern has been tempered, to some degree, by recent correspondence[1] from the National Marine Fisheries Service (NMFS). The NMFS letter indicates that the lower McCloud river contains little suitable habitat; but it also clarifies this is a preliminary determination and that much of the river remains unassessed for suitable habitat. Additionally, the assessment did not consider that

[1] Wantuk, Richard, National Marine Fisheries Service "Additional Information to the Administrative Record of the McCloud-Pit Hydroelectric Project, Federal Energy Regulatory Commission Project No. P-2106, Regarding the Bureau of Reclamation's Interagency Fish Passage Steering Committee's Annual Report, McCloud River, California." Letter to Secretary Kimberly D. Bose, Federal Energy Regulatory Commission. March 22, 2011.

the planned placement of gravel and large woody debris may succeed in creating suitable habitat for listed salmonids.

The FEIS response to our comment on climate change (p. A-18) explains that few resources are available for evaluating climate change impacts on a watershed level and FERC's license may be re-opened to address unanticipated environmental effects. We do not disagree with FERC's response, but suggest that future DEISs include a discussion of climate change impacts on proposed projects. As many sources note, including the reference in our comment letter[2], climate change is likely to cause warmer winters, earlier springs, and faster snowmelt in California, which will have a resulting impact on dam operations.

We recommend that all mitigation measures be adopted in the Record of Decision (ROD). We also encourage FERC to include specific criteria for successful mitigation. If any mitigation measures in the FEIS are not adopted, the ROD should provide justification for the decision not to adopt them.

We appreciate the opportunity to review this FEIS. When the Record of Decision and license are signed, please send a copy of each to the address above (mail code: CED-2). If you have any questions, please contact me at (415) 972-3521, or contact Tom Kelly, the lead reviewer for this project. Tom can be reached at (415) 972-3852 or kelly.thomasp@epa.gov.

Sincerely,

/s/

Kathleen M. Goforth, Manager
Environmental Review Office
Communities and Ecosystems Division

cc: Bob Foster, National Marine Fisheries Service
Stacey Smith, U.S. Forest Service
Russ Kanz, California, State Water Quality Board
Matt Myers California Department of Fish and Game
Matt Kelley, U.S. Army Corps of Engineers

[2] Our Changing Climate: Assessing the Risks to California, A Summary Report from the California Climate Change Center, July 2006; Climate Change and California Water Resources, Brandt, Alf W.; Committee on Water, Parks & Wildlife, California State Assembly, March 2007 and Draft 2009 Climate Action Team Biennial Report to the Governor and Legislature. See internet address: http://www.climatechange.ca.gov/publications/cat/index.html.