

CALIFORNIA STATE LANDS COMMISSION

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June 23, 2010

File Ref: SCH# 2008051003
PRC 8737.1

Aaron Yue
Project Manager
California Department of Toxic Substances Control
5796 Corporate Avenue
Cypress, CA 90630

**Subject: PG&E Topock Compressor Station Groundwater Remediation Project
SCH# 2008051003, Adjacent to the Colorado River, near Needles in San
Bernardino County.**

Dear Mr. Yue:

Staff of the California State Lands Commission (CSLC) reviewed the draft environmental impact report (DEIR) for the above mentioned project. Under the California Environmental Quality Act (CEQA), the Department of Toxic Substances Control is the Lead Agency, and the CSLC is a Responsible and/or Trustee Agency for any and all projects which could directly or indirectly affect sovereign lands, their accompanying Public Trust resources or uses, and the public easement in navigable waters.

As background, the State of California acquired sovereign ownership of all tidelands and submerged lands and beds of navigable waterways upon its admission to the United States in 1850. Such lands include, but are not limited to, the beds of more than 120 navigable rivers and sloughs, nearly 40 navigable lakes, and the 3-mile wide band of tide and submerged lands adjacent to the coast and offshore islands of the State. The State holds these lands for the benefit of all people of the State for statewide Public Trust purposes, which include waterborne commerce, navigation, fisheries, water-related recreation, habitat preservation, and open space. The boundaries of these State-owned lands generally are based upon the last naturally occurring location of the ordinary high or low water marks prior to artificial influences which may have altered or modified the river or shoreline characteristics.

The facts pertaining to the proposed project include the construction of the following elements:

- Up to 110 extraction, injection, and in situ zone wells.
- Freshwater supply wells or a freshwater intake structure and treatment system.

- Up to 60 monitoring wells.
- Water conveyance pipelines.
- Reductant storage facilities and above ground tanks.
- Utilities and roadways.

Please be advised that on December 14, 2006, the CSLC approved the issuance of a 20-year General Lease – Right of Way Use, Lease No. PRC 8737.1, to PG&E for the use and maintenance of groundwater monitoring wells extending from the Havasu National Wildlife Refuge and into the bed of the Colorado River. The Lease was subsequently amended twice in 2007 to revise lease provisions and to provide for additional well sites to be drilled from the Arizona side of the bed of the Colorado River. The alteration, removal, or addition to the existing wells, or proposed new construction of improvements on sovereign State-owned land, will require a lease amendment and submittal by PG&E of an Application to the CSLC. CSLC staff understands the exact locations of the proposed elements are unknown and the locations are dependent on the final remediation system design. Once the locations of the elements are known, CSLC staff must be consulted to determine if any of the proposed elements will occupy State-owned lands.

Review of your DEIR indicates that your project will likely require a lease from the CSLC. The CSLC, as a responsible agency, will rely on the DEIR that is produced by your agency. CSLC staff has the following comments on the DEIR.

1. Please show all greenhouse gas (GHG) calculations for all project components and alternatives in one location to enable a reasonable comparison and evaluation. Please also use metric tons or tons (not both) for GHGs consistently throughout the EIR to facilitate calculations of total GHGs.
 - As currently written in the DEIR, the Construction GHGs are found in section 6, while the ongoing O&M GHGs, by alternative, are found in section 8. Please provide a summary section or table to show the total amount of GHGs produced as a result of this project, which should include: construction; operation and maintenance (O&M); and the indirect GHGs produced from the increased electricity demands of the project.
 - Construction estimates range from 745 to 784 metric tons per year (MT/yr) of carbon dioxide (section 6) plus O&M estimates range from 80 to 6,400 tons/yr of carbon dioxide (section 8). Please use MT/yr or tons/yr.
2. Please identify the components of O&M used to calculate the O&M GHG estimates provided.
3. The indirect electricity consumed is up to 7.6 million kilowatt hours (kWH) (section 8.4.6.2, page 8-28); the GHGs produced as a result of this new demand for electricity do not appear to be included. Analyzing this indirect and/or cumulative effect would help to meet the full public disclosure intent of CEQA.

4. Please review the Attorney General's website for best practices to reduce GHGs. http://ag.ca.gov/globalwarming/pdf/GW_mitigation_measures.pdf
5. Please indicate the velocity of the proposed surface water intake for the fresh water flushing. The U.S. Environmental Protection Agency's policy on best available practices for water intakes requires the velocity to be 0.5 feet per second or less. The EIR should provide the information to demonstrate that the projects intake will comply with this policy. Please provide all design information and indicate the point at which the velocity is to be measured.
6. As a freshwater intake is an option of the project, an impingement and entrainment (I&E) study should be part of the EIR. The results of that study should be used to determine the impact and potential mitigation required to offset that impact if any potential adverse effects are mitigable to less than significance. If a freshwater intake is constructed and this I&E study is not included in the EIR, this may be required as a lease condition by the CSLC.

If you have any questions regarding environmental issues, please contact Steven Mindt at (916) 574-1497 or by e-mail at mindts@slc.ca.gov. If you have any questions regarding the existing lease or the CSLC's leasing jurisdiction within the bed of the Colorado River, please contact Drew Simpkin, Public Land Management Specialist, at (916) 574-2275 or by e-mail at simpkid@slc.ca.gov

Sincerely,



Cy R. Oggins, Chief
Division of Environmental Planning
and Management

cc: Office of Planning and Research
Steven Mindt, CSLC
Drew Simpkin, CSLC