

ATTACHMENT 3

SUMMARY OF POTENTIAL ENVIRONMENTAL ISSUES AND IMPACTS

ENVIRONMENTAL ISSUE AREA	DESCRIPTION OF POTENTIAL ISSUES AND IMPACTS
Recreation	<ul style="list-style-type: none"> • Could changes in the operation of Pacific Gas and Electric Company’s hydroelectric facilities affect stream/river flows or reservoir levels so as to adversely affect recreational uses, including fishing, boating, whitewater rafting? • If new owner(s) maximize either peaking power or water supply goals, the result could be changes to instream flow and reservoir levels, which could affect boaters, fishers, campers and day users. • New owner(s) may not manage reservoirs to keep water levels high through the recreation season (Labor Day). Pacific Gas and Electric Company in most cases has informally kept recreational reservoir levels high through Labor Day. • Could changes in the management of Pacific Gas and Electric Company’s lands affect the use of those lands for recreational purposes, such as camping, and hiking? • New owner(s) could change land uses on watershed lands, thus diminishing or eliminating certain recreational opportunities.
Biological Resources	<ul style="list-style-type: none"> • Could the project affect threatened or endangered species? • Numerous endangered and threatened botanical and wildlife species exist or have potential habitat in the river drainages of the various FERC projects being sold. These include, for example, chinook salmon, coho salmon, steelhead trout and the red-legged frog. • Could a change in operation of Pacific Gas and Electric Company’s hydroelectric facilities adversely affect sensitive fisheries and other aquatic biological resources? • New owner(s) of hydroelectric facilities with water storage capacity may have motivations to generate power earlier in the summer or hold storage longer in the season. Changes in the timing and amount of water releases from storage areas could affect fish habitat availability, fish rearing areas and water temperatures. • Multiple owners of hydroelectric facilities could be uncoordinated in their operations, resulting in adverse effects to fisheries and other aquatic resources. • Could a change in ownership of Pacific Gas and Electric Company’s hydroelectric assets adversely affect sensitive terrestrial and avian biological resources near hydroelectric facilities or watershed lands? • Changes to terrestrial biological resources could result from potential changes in the quantity, quality or timing of water flows in streams or rivers, the level of reservoirs, timber management practices or uses of watershed lands. For example, increased emphasis on peaking power or water supply could affect reservoir levels, potentially altering the prey base and foraging patterns for terrestrial wildlife and birds.

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Hydrology and Water Quality	<ul style="list-style-type: none"> • Could there be operational or physical changes to hydroelectric facilities that would cause substantial changes to the hydrology? • Within the FERC limits, new owner(s) could have motivations that would affect timing, ramping rates, or flow levels of affected streams and rivers, or the water quality (i.e., temperature and water chemistry). For example, EBMUD has documented adverse changes in water quality (sedimentation, temperature and nutrients) and channel morphology from operational changes on Mokelumne River projects to take advantage of peaking power revenues. • Changes in reservoir operation could affect the availability of water, or the quality of water, for downstream uses, including municipal uses, irrigation, and environmental protection. • Changes in reservoir operations could increase water temperatures in downstream waters, to the detriment of cold-water fisheries. • Changes in ownership of the reservoirs could result in changes in management practices, such as increased dredging or sediment sluicing.
Land Use	<ul style="list-style-type: none"> • Could future changes in the use or management of Pacific Gas and Electric Company's watershed lands or those lands that contain hydroelectric facilities significantly alter the land use pattern or be incompatible with other existing adjacent uses? • New owner(s) of the facilities could be faced with debt service that motivates them to alter timber and range management or change uses to resort development, residential development, agriculture or mining, which could be incompatible with existing adjacent uses. • The project could result in increases or decreases in consumptive water availability that could affect land uses, population and housing, public services and infrastructure, biological resources and agricultural resources. • The watershed lands are now in common ownership, but if bundles were sold to different owners there would be an increase in fragmentation of land ownership within a watershed. The greater the numbers of landowners, the greater the potential for competing management goals and the complexity of managing the watershed in a way that benefits environmental quality and downstream uses.
Hazards and Hazardous Materials	<ul style="list-style-type: none"> • Could Pacific Gas and Electric Company's hydroelectric assets be operated in a way to create hazards for other users of affected streams or rivers? • New owner(s) could create hazards if future operations allowed sudden or unexpected changes in river/stream levels (a danger to fishers, boaters and rafters) or if future operations resulted in reservoir drawdown that creates unsafe conditions. • Could there be existing safety hazards or unsafe hazardous materials present that could adversely affect future workers or visitors to Pacific Gas and Electric Company's hydroelectric assets? • If sufficient training is not part of the ownership transfer of the hydroelectric plants, new owner(s) could create safety hazards or mishandle hazardous

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	<p>materials (e.g., lubricants, paints, solvents, etc.).</p> <ul style="list-style-type: none"> • Could future changes affect dam safety or the potential for flooding? • If new owners maximize water storage or peaking power, flooding and dam safety could become issues of concern. These concerns would be greater if different owners purchase linked facilities.
Agricultural Resources	<ul style="list-style-type: none"> • Could the project result in conversion of farmland to non-agricultural use? • Depending on the flexibility that exists in Pacific Gas and Electric Company's water rights and contractual obligations related to water, the new owner(s) may be able to modify operations in a manner that could be detrimental to agriculture. • Agricultural water needs may conflict with increased flows for fish habitat. • Currently, there are numerous grazing leases on the lands to be sold. New owner(s) could change land uses and eliminate or intensify this agricultural resource.
Cultural Resources	<ul style="list-style-type: none"> • Could a change in ownership of Pacific Gas and Electric Company's hydroelectric assets adversely affect sensitive cultural resources on or near hydroelectric facilities or watershed lands? • If new owner(s) were to intensify development of the watershed lands, sensitive cultural resources could be directly or indirectly affected by such changes. • If informal agreements are not continued, Native Americans could be denied access to natural areas for traditional ceremonies. • Could ownership changes cause impacts to historic buildings or other facilities, or affect other known or unknown archaeological or historical resources present on Pacific Gas and Electric Company lands? • If new owner(s) are not aware of historic or prehistoric resources or Best Management Plans (BMPs) for newly discovered resources, the result could be inappropriate actions in addressing the resources.
Geology and Soils	<ul style="list-style-type: none"> • Could there be operational or physical changes to substantially affect erosion in or near streams or rivers that are part of the Pacific Gas and Electric Company's system? • If new owner(s) change river/stream flow patterns, this could increase erosion. • Could the project substantially affect erosion or other soil conditions in or near those watershed lands? • Future changes in the management of Pacific Gas and Electric Company's watershed lands, including increased logging or grazing, could increase erosion.

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Aesthetics	<ul style="list-style-type: none"> • Could new owner(s) change hydroelectric plant operations in ways that would adversely affect the aesthetic quality near Pacific Gas and Electric Company's hydroelectric assets? • If new owner(s) were to draw down reservoirs earlier in the summer, aesthetic effects could include earlier exposure of reservoir shores and degradation of shoreline vegetation or wetlands. Changes in the timing and rate of water releases could also affect the aesthetics of rapids and falls. • The aesthetic quality of the watershed lands could be degraded if the new owner(s) intensify uses on the lands (e.g., timber harvesting).
Public Services and Infrastructure	<ul style="list-style-type: none"> • Could changes in ownership of Pacific Gas and Electric Company's hydroelectric assets create substantial new demands, alter existing facilities, or in other ways adversely affect the provision of public services and infrastructure in the vicinity of hydroelectric facilities and watershed lands? • Concerns have been raised about the ability of multiple new owners to respond to emergencies, such as broken flumes or pipeline failures. Although emergency response is required by the FERC license, new owners may have fewer resources at their disposal than does Pacific Gas and Electric Company. • If the divestiture results in lower taxes for counties, a secondary effect could be reduced funds available for public services and infrastructure that provide environmental benefits such as parks, and water and wastewater treatment. • Additional demands on public services such as roads or water facilities could result from intensified uses on watershed lands or increases in employees if bundles are purchased by multiple owners.
Air Quality	<ul style="list-style-type: none"> • Could the project result in increases in air quality criteria pollutants? • New owner(s) who would emphasize environmental, recreation or water supply values could reduce power production by varying degrees. This reduction could increase air pollution in remote locations if fossil-fuel power plants are needed to offset lost hydroelectric summer peaking capacity. These effects could occur at fossil-fuel plants in California or in other western states. • If the new owner(s) were to intensify land uses on the watershed lands, vehicle emissions could increase.
Mineral Resources	<ul style="list-style-type: none"> • Could change of ownership result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? • New owner(s) could develop mines that would lead to the depletion of mineral resources. Various mineral resources exist in and near the project areas, including slate, stone, sand, gravel, granite, tungsten, copper, molybdenum, and manganese.
	<ul style="list-style-type: none"> • Could changes in ownership of Pacific Gas and Electric Company's

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Transportation and Traffic	<p>hydroelectric assets adversely affect transportation and traffic in the vicinity of those assets by increasing or decreasing traffic flows to and from hydroelectric facilities or watershed lands?</p> <ul style="list-style-type: none"> • Changes in operations would not be expected to adversely affect traffic levels. However, increases in traffic could result from any intensification of uses on watershed lands.
Population and Housing	<ul style="list-style-type: none"> • Could changes in ownership of Pacific Gas and Electric Company’s hydroelectric assets substantially affect population or employment in local communities by altering the number and location of people working at hydroelectric facilities? • The EIR will evaluate whether operational changes or multiple owners of the facilities (as opposed to one owner) could substantially affect employment levels. • New owner(s) could manage watershed lands to either increase or decrease residential units on watershed lands. New owner(s) could intensify the uses on watershed lands thus requiring additional employees and housing.
Noise	<ul style="list-style-type: none"> • Could significant amounts of noise be generated due to changes in the operation of hydroelectric facilities or the management or use of lands that would affect sensitive receptors? • Changes in operations could increase noise levels and potentially affect people and wildlife. If new owner(s) were to intensify land uses on the watershed lands, a secondary effect could be increased noise.
Cumulative Impacts	<ul style="list-style-type: none"> • Are there incremental environmental impacts of the project that would be cumulatively considerable when viewed in connection with other reasonably foreseeable future projects? • The EIR will include an analysis of the combined effects of the project across all five of the major watershed regions (including all 20 bundles and the related assets). The EIR will include a review of other proposed and reasonably foreseeable similar projects in the vicinity of the hydroelectric plants and related assets to determine if the combined effects of these projects and the hydroelectric divestiture project effects are cumulatively considerable.