November 19, 2018

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

RE: P-12966: Utah's Lake Powell Pipeline application

Dear Commissioners and Secretary Bose:

I am a member of the Board of Directors of Great Basin Water Network (GBWN), a broad-based coalition and nonprofit organization of urban and rural interests, ranchers and farmers, rural counties and communities, Native American Tribes, hunters and anglers, conservationists, and businesses. GBWN's mission is to promote sound, holistic water policy and water resource management in order to protect locally sustainable water uses for local beneficial uses, the environment, and the public welfare of future as well as present generations in the Great Basin region. GBWN seeks to achieve these goals through research, science, education, networking, litigation, and advocacy throughout the extended Great Basin region.

I also am the Policy Advocate for Utah Audubon Council, which represents the four Audubon societies in Utah. I submit the following comments concerning the environmental impact statement for the Lake Powell Pipeline (LPP) project on behalf of those two organizations.

Jurisdiction

The Commission's September 20, 2018 order denying Utah's petition for a declaratory order on LPP jurisdiction wisely limited FERC's role to the possible licensing of the hydroelectric facilities proposed as part of the pipeline project. This is reasonable and appropriate, given that the purpose of the project is water delivery, not power generation, and that FERC's expertise is in power generation and conveyance.

Asserting in that order, however, that "the Commission will not act as the ultimate decision maker for approving any portion of the overall project beyond the discrete hydropower facilities" raises the question of what entity will be. Likewise, if FERC "will not be responsible for determining which alternative route for the water delivery pipeline should be chosen", it raises questions about what other pipeline alternatives might fall outside of the agency's decision-making. If FERC is not the final project approval or disapproval authority, it should withdraw from the position as the lead agency for the National Environmental Policy Act (NEPA) process and therefore should not be tasked with the responsibility for conducting the LPP Draft Environmental Impact Statement (DEIS).

Prior to commencing further with the preparation of the DEIS, FERC should seek to resolve this issue of primary jurisdiction of who the lead agency should be.

Cooperating agencies should not be responsible for final decisions on only portions of the overall project, as such piecemeal decision making would violate the spirit if not the letter of NEPA. FERC should reconsider and renegotiate the existing Memorandum of Understanding that put it in the lead position.

<u>Need</u>

We have serious questions and concerns about the purported need for the LPP, and do not believe that Utah has made the case with the public and its potential customers that the project is necessary. Water use data in past decades, both statewide and in Washington County, have been found to be inaccurate and inconsistent, undermining the baseline for projections of future use. However, we do know that water use per capita is much higher in Washington County (325 gpcd) and Kane County (420 gpcd) than in any other western cities. There is considerable room for improvement in conservation in these two counties, which will reduce the need for the project significantly. Quantifying that will be challenging due to the need to project what conservation policies and initiatives will be pursued.

The decision makers in the counties have downplayed and underestimated the water which will be converted from agricultural to municipal and industrial use in the coming decades. An accurate assessment of this source of water supply for urban growth must be a component of the analysis of need for the LPP.

Population estimates, while generally more reliable, have been subject to downward revisions within the last decade. What we saw with the dramatic slowdown in growth in Las Vegas due to the economic crash of 2007-08 and subsequent recession, should be a cautionary tale for southwest Utah population projections. We see little if any need for the proposed 10 kafy for Kane County in the foreseeable future.

It will be challenging for FERC to make a determination of need in the light of these uncertainties and with the expected pressure and boosterism from Utah proponents of the LPP.

Financial feasibility

The State of Utah Division of Water Resources and the Washington County Water Conservancy District have not been forthcoming with solid estimates of the cost of the project, and we contend that the estimates that have been made public are unrealistically low. Financing costs, terms, and repayment plans have likewise been vague. Such persistent evasiveness undermines confidence that in the financial feasibility of the LPP. Over two dozen university economists have warned that project costs may be economically harmful or unsustainable for the Washington County. As the cost of water increases, WCWCD customers and suppliers will cut back their consumption (elasticity of demand), which make loan repayment for LPP more challenging. This must be calculated and projected as accurately as possible in determining the financial feasibility of the project.

Lastly there is substantial risk that the water sought from Lake Powell may not be available for the duration of the project's life. The Colorado River is over-allocated, inflows to the Glen Canyon Dam have been decreasing dramatically in recent years and climate change projections are not encouraging for a reversal of that trend. The politics of the Colorado River Compact will almost certainly become more difficult and contentious over time, adding new layers of risk for this water supply. Alternatives that are less costly and less risky options for southwest Utah's water future must be fully evaluated.

Thank you for the opportunity to comment.

Respectfully,

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