

1.0 PURPOSE OF THIS PDEA

The Sacramento Municipal Utility District (SMUD), a political subdivision of the State of California, has prepared this Preliminary Draft Environmental Assessment (PDEA) to satisfy the requirements for an Environmental Assessment (EA) and an eventual Environmental Impact Statement (EIS) pursuant to the National Environmental Policy Act of 1969 (NEPA), (42 U.S.C. § 4321 *et. seq.*), as well as the regulations implementing NEPA of the Council on Environmental Quality (CEQ) and the Federal Energy Regulatory Commission (FERC or Commission). The specific federal agencies likely to rely upon this PDEA are identified below.

Although the primary purpose of this document is to satisfy the requirements of NEPA and the Federal Power Act's environmental requirements, this document addresses issues raised during the relicensing process that go beyond the scope of those or other legal requirements. Accordingly, the NEPA and Federal Power Act analyses within this document include additional discussions that address additional stakeholder concerns.

1.1 Issuance of a New License by FERC

SMUD has applied to FERC for a new 50-year license for the Upper American River Project (UARP), FERC Project No. 2101. The original license issued to SMUD for the UARP expires on July 31, 2007. SMUD's application proposes certain modifications to the UARP's continued operation to enhance the environment in 81 miles of the American River watershed as well as construction and operation of a critically needed new pumped-storage facility called the Iowa Hill Pumped-storage Development (Iowa Hill Development). As configured, the UARP has a generation capacity of 688 MW; addition of the Iowa Hill Development will provide additional capacity of 400 MW to support SMUD's control area requirements, management and regulation of non-dispatchable, renewable resources like wind generation, and enable the UARP to continue to serve as SMUD's primary source of summer peaking capacity to meet the load growth projected for the Sacramento area.

1.2 Application of CEQA

In addition to SMUD, the California State Water Resources Control Board (SWRCB) and the California Department of Fish and Game (CDFG) are the primary state agencies that will also make discretionary decisions related to the new license for the UARP. The California Environmental Quality Act (CEQA) (Cal. Pub. Res. Code §§ 21000, *et seq.*), is the relevant state law under which the environmental effects of these decisions must be analyzed. SMUD will serve as the Lead Agency under CEQA for purposes of developing a separate Environmental Impact Report (EIR), which will follow the FERC EIS, to support the decisions of SMUD and the state agencies.