

200 E. Grayson St., Ste 202
San Antonio, TX 78215

January 21, 2010

***U.S. Corps of Engineers-Galveston District
TNC Comment Letter – Proposed White Stallion Power Plant***

Mr. Steven Walls
Regulatory Branch
USCOE
P.O. Box 1229
Galveston, TX 77553-1229

Mr. Mark Fisher
Mail Code 150
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 73711-3087

**Subject: Permit Application Number SWG 2009-00945
White Stallion Energy Center, LLC**

My name is Jim Bergan, and I am the Director of Science and Stewardship for The Nature Conservancy of Texas. The Nature Conservancy is a non-profit wildlife conservation organization, using scientific research and a cooperative, community-based approach to protect the unique diversity of animals and plants where we work. The Nature Conservancy (TNC) became aware last month of a proposed 1320 MW, pet-coke/coal fired power plant proposed to be located in Matagorda County on the east bank of the Colorado River. As a landowner and resident of Matagorda County, we would like to comment on the proposed permit and state our recommendation that it be denied.

The Nature Conservancy has a long history of community-based conservation in Matagorda County. In 1987, TNC accomplished a critical land acquisition in concert with Mr. Clive Runnells that was long sought for under the Texas Coastal Wetland Concept Plan of the U.S. Fish and Wildlife Service. This project secured 5,700 acres of high quality freshwater wetlands, estuarine marsh and tallgrass coastal prairie habitat. This land was then transferred to Texas Parks and Wildlife Department to be managed as a public hunting area called the Mad Island Wildlife Management Area. In 1989, Mr. Runnells donated, outright, 3,148 acres that included a portion of Mad Island Marsh proper to TNC (see map). The Conservancy accepted the donation in 1990, and immediately began intensive fundraising efforts to allow us to restore wetlands and prairies on this new preserve called the Clive Runnells Family Mad Island Marsh Preserve (CRFMIMP). In 1994, TNC received a North American Wetland Conservation Council grant which, in combination with a gift of a 50% bargain sale from Mr. Runnells, allowed us to purchase an additional 3,900 acres to add to the preserve. This community-based conservation project has been a model for TNC and other conservation organizations over the past, nearly 20 years. A comprehensive stewardship effort that has included many innovative restoration approaches, sustainable rice production in concert with waterbird management, high-efficiency rice irrigation techniques, conservation education and outreach, research and monitoring have been hallmarks of this project.

Specific habitat management techniques regarding prescribed grazing, prescribed fire management, ricefield management for waterfowl, cranes, and shorebirds, erosion control, optimal use of ricefield tailwater, grassland bird management, colonial waterbird management, and coastal prairie restoration are just a few examples of how this project has leveraged conservation innovations over the years for private landowners and natural resource agencies.

The Nature Conservancy is a large landowner in Matagorda County, our staff live in the local community, and as such we have been a key part of the community since 1991. We pay taxes or more accurately, make payments in lieu of taxes to support education and other essential infrastructural needs in the county.

Across the country, the Conservancy has worked with the U.S. Fish and Wildlife Service (FWS) and the National Marine Fisheries Services (NMFS) as well as our many other federal, state and local partners to conserve threatened and endangered species through several authorities provided under the Endangered Species Act of 1973 (ESA; 16 U.S.C. 1531 et seq.). The proposed White Stallion Energy Center (WSEC) poses some serious concerns to us primarily in regards to the proximate habitats that will be impacted by the plant and its operations. In addition, we have attempted to evaluate what impacts the WSEC and its operation may have upon our existing CRFMIMP. Let me offer our preliminary assessment broken out as previously outlined.

WSEC LOCATION/OPERATIONS

Overview: We have identified the location proposed for the WSEC as being an important representation of a bottomland hardwood ecosystem via our ecoregional planning process. Ecoregional planning is a process that uses the best available scientific data to look at the broad scope of natural processes needed to sustain our natural resources and wildlife. The study of ecology tells us that all the elements of the natural world are interdependent and related to one another. To understand the way nature works, we must look at whole ecological regions that may spill across state and international boundaries. The purpose of ecoregional planning is to preserve natural communities and the plants and animals that depend on them by effectively conserving the most amount of land and water in order to optimize and leverage each dollar wisely. While ecoregional planning involves working on a broad scale, we involve local communities in our projects, keeping the best interests of the people who live and work there in mind. We've learned that community-based conservation is essential to achieving long-term conservation success because people and their sustained livelihoods are as much a part of the landscape as the animals and plants. The destruction of our natural resources is as tragic and as damaging to people as it is to wildlife. A healthy environment and a healthy economy go hand in hand.

Evaluation: We understand that the specific authority of the U.S. Corps of Engineers is limited to enforcement of Section 404 of the Clean Water Act. However, we feel it is important to consider the full range of potential impacts of this facility from a proximate and more regional perspective. The proposed location, as described, falls within a conservation area which TNC and others call the Columbia Bottomlands. The Columbia Bottomlands is considered to be a critical habitat area for Neotropical migratory songbirds, which depend on the forest as a resting

area before and after crossing the Gulf of Mexico. The original extent of the bottomlands was approximately 1.2 million acres. Radar imagery indicates that hundreds of thousands of songbirds use the Columbia Bottomlands area, especially in their spring return. Whereas well-known fallout sites (e.g., High Island, Sabine Woods, etc.) receive large amounts of focus and notoriety, the long-term viability of many neotropical migrant species may actually rely upon the viability of large, mostly intact coastal forest systems such as the Columbia Bottomlands. The Bottomlands comprise the only large expanse of forest adjacent to the Gulf of Mexico in Texas. The Colorado River portion of the overall bottomlands region, has been the most impacted when compared with the San Bernard and Brazos Rivers. Extensive conversion and destruction of bottomland old growth forest along the Colorado River is obvious and thus, greatly magnifies the importance of remaining habitats proximate to the river.

Being able to assess the impact of the WSEC based upon incomplete and sparse on-the-ground data is perilous at best. However, consideration of an umbrella species such as the bald eagle would be appropriate in making decisions regarding such a large industrial development such as the WSEC. The Texas Parks and Wildlife Department (TPWD) possesses the most extensive and long running account of bald eagle nesting occurrences in the proximate vicinity of the WSEC. The Conservancy shares strong concerns expressed by both TPWD and the USFWS regarding this metapopulation of bald eagles and how the WSEC and its operation may impact it. Impacts on bald eagle viability must be considered from a cumulative perspective and evaluations of construction, transmission line establishment, noise, human disturbance, and other factors must be accounted for. At this time, there does not seem to be enough data provided by the applicant to make those determinations.

As mentioned, habitat loss and fragmentation are threats to the area. A study by Dr. James W. Webb of Texas A&M University at Galveston (funded by TNC) concluded that in the sixteen years between 1979 and 1995, 51,000 acres of bottomland forests disappeared from the four-county area of Brazoria, Matagorda, Wharton, and Fort Bend counties. About 65% of the original expanse of 1,000 square miles of forest has been cleared. Urbanization, logging, clearing for agriculture, industry, and providing hardwoods for the paper pulp industry are all key threats. No similar analysis has been done since 1995, but it is clear that loss of habitat continues in the Columbia Bottomlands area.

Locating the coal plant in this sensitive conservation area will undo other conservation efforts that have already taken place in the region. In 1995, USFWS released its plan to conserve 28,000 acres of the Columbia Bottomlands. In 1998, USFWS doubled the area protected to almost 1,300 acres with an acquisition of 600 acres of forested wetlands funded by a grant from the Migratory Bird Conservation Commission (Brazosport Facts article, 3/4/98). More recently, the Big Pond area was acquired by the Trust for Public Land in 2000, adding additional key habitat to the Columbia Bottomlands initiative. The USFWS and other partners including NGO's, municipalities, and individuals continue to acquire the last remaining vestiges of this irreplaceable area we call the Columbia Bottomlands.

In addition to the bald eagle population within the proximate site area, confirmed or potential species of concern at the site include Texas willkommia (*Willkommia texana* var. *texana*), corkwood (*Leitneria floridana*), an intact live oak-pecan community, and rare crayfish such as

the pygmy crayfish (*Cambarellus texanus*) and the Brazoria crayfish (*Procambarus brazoriensis*). Based upon aerial and landsat imagery, there does appear to be extensive wetland habitats on the site. Wetland types appear to be intermittent, emergent palustrine wetlands as well as forested wetlands. Across all wetland types, palustrine emergent (freshwater) wetlands have experienced the greatest amount of loss since early settlement of the region. Loss of bottomland hardwood wetlands has already been described earlier and their significance to local, regional, and migratory wildlife cannot be understated.

Impacts to freshwater habitats proximate to the site and the adjacent Colorado River are hard to estimate without additional information. What may be likely is that additional maintenance and accommodation of more barge traffic 14 miles upriver will cause higher rates of sediment deposition, accelerated bankside erosion, and the potential for elevated salinities and lower flows in this segment of the river. Withdrawals of 20 million gallons per day at the LCRA pump station upriver, may impact flow, especially during drought. Recent work by Kim and Montagna (2009. *Estuarine, Coastal and Shelf Science*, 83: 491-504) shows potential major benthic community shifts and loss of diversity with declining inflows from the Colorado River into West Matagorda Bay while higher salinity-tolerant species displace existing species.

Matagorda County, like all counties along the coast experience frequent and long duration on-shore winds and regular frontal systems of Pacific or Arctic origin during fall to early spring that can produce high winds up to 40 mph. Ultimate deposition of pet coke/coal dust being transported does not appear to have been addressed nor has a comprehensive assessment of “windshed” plume emissions from the WSEC (also see: <http://www.mlui.org/landwater/fullarticle.asp?fileid=17279>).

Clive Runnells Family Mad Island Marsh Preserve: The northern boundary of the CRFMIMP is approximately 10 miles from the WSEC (see attached map). Our concerns related to the WSEC are related to emissions that will be deposited into natural, restored and enhanced wetlands on the preserve. Wind speed averages about 10-11 miles per hour and winds are generally out of the south-southeast in Matagorda County. Most north to northeast winds come with frontal boundary systems. It is apparent that petroleum coke generates more dust than coal and that dust contains heavy metals and other substances not conducive to high quality wetland habitat systems. The CRFMIMP is part of a much larger site called the Mad Island-Oyster Lake Conservation Area which consists of over 51,000 acres of intertidal wetlands, freshwater marsh, coastal prairies, bayous, and ricefield agriculture.

The Mad Island – Oyster Lake Complex contains the Conservancy’s premier anchor preserve on the Texas coast- the Clive Runnells Family Mad Island Marsh Preserve. Proactive restoration and enhancement work, applied conservation research, and serving as a model for all other community-based conservation projects in Texas are just a few functions of this preserve. As one of the most important wetland complexes on the Texas coast, this area provides critical habitat for shorebirds, waterfowl, sandhill cranes, and in recent years, the endangered whooping crane. With a complex bird list of over 300 species, it is easy to understand the conservation significance of this area. Overgrazing, invasive species, altered hydrology, erosion (along the Gulf Intracoastal Waterway), habitat fragmentation, energy development, and unsustainable water allocation/management are threats to this area. The Conservancy has stressed the need to

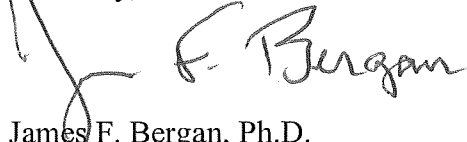
focus on freshwater processes driving the Mad Island ecosystem and the species that rely on high quality freshwater habitat. Thus, regional water issues are vital to the sustainability of this site.

Species and communities of concern within the Mad Island-Oyster Lake Conservation Area include whooping crane, grassland bird guild, coastal gay feather (*Liatris bracteata*), Texas horned lizard (*Phrynosoma cornutum*), threeflower broomweed (*Thurovia triflora*), wintering waterfowl guild, mottled duck (nesting; species of state and federal concern), white-tailed hawk, white-tailed kite, neotropical migrant bird guild (21 species), tallgrass coastal prairie (little bluestem-brownseed paspalum), and a unique xeric shrubland made up of Texas persimmon (*Diospyros texana*), lime prickly-ash (*Zanthoxylum fagara*), elbowbush (*Forestiera angustifolia*), gum bumelia (*Sideroxylon lanuginosum*).

The Nature Conservancy has actively managed nearly 1500 acres of moist-soil wetlands and fallow ricefield each fall/winter/spring since 1995. We pay for irrigation water at a substantial rate from the Lower Colorado River Authority in order to create conservation benefits for the thousands of shorebirds, ducks, geese and cranes each year. In fact, in December 2009, a whooping crane family of 3 was observed immediately adjacent to one of wetland management units. We have concerns about the impact of the WSEC in regards to transmission lines and their impact on whooping cranes wintering on our preserve and in the general area, deposition of particulate emissions into our wetland complex, and potential bioaccumulation within the benthos and animals within the higher trophic food chain (alligators, gar, red drum, black drum, etc).

Summary: At this time, the Conservancy has reviewed all pertinent permit and agency documentation regarding the White Stallion Energy Center. Based upon paucity of data and other necessary information that would be useful in better evaluating the impacts of this facility, The Nature Conservancy concurs with Texas Parks and Wildlife Department, United States Fish and Wildlife Service, and the United States Environmental Protection Agency in recommending denial of Permit Application Number SWG-2009-00945, White Stallion Energy Center, LLC.

Sincerely,



James F. Bergan, Ph.D.
Director of Science and Stewardship

cc: Laura Huffman, Texas State Director
John Herron, Director of Conservation Programs
Mark Dumesnil, Upper and Middle Coast Program Manager
Julie Sullivan, Mad Island Marsh Preserve Manager
John Karges, Coordinator, Texas Natural History Survey

White Stallion Energy Center, L.L.C Proximity to Clive Runnells Family Mad Island Marsh Preserve

