



Mendocino County Inland Water and Power Commission

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July 11, 2026

By eFiling

Diana Shannon
Division of Hydropower Administration and Compliance
Office of Energy Projects
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 204256

Re: Pacific Gas and Electric Company, Potter Valley Project (Project No. 77-332)

Dear Ms. Shannon:

The Mendocino County Inland Water and Power Commission (“MCIWPC”) hereby submits comments on the “Notice of Scoping Meetings and Request for Comments on Proposed Surrender, Decommissioning, and Non-Project Use of Project Lands” (May 22, 2026) (Scoping Notice). MCIWPC supports you completing your review on a reasonably expeditious basis, allowing the Commission to take final action on these applications. Such final action is vital to protecting beneficial uses of waters in the Eel and Russian River Basins, including anadromous fisheries, water supply, and recreation.

MCIWPC is a joint powers authority formed in 1996 comprised of the County of Mendocino, the City of Ukiah, the Redwood Valley County Water District, the Potter Valley Irrigation District, and the Mendocino County Russian River Flood Control and Water Conservation Improvement District. Each of these agencies is represented by MCIWPC and each appoints a Board Member to the governing Board of the MCIWPC. In addition, MCIWPC is itself a member agency of the Eel-Russian Project Authority (ERPA), a joint powers agency that also includes the Sonoma County Water Agency (Sonoma Water) and the County of Sonoma. We hereby join in the comment letter submitted by ERPA.

OUR INTERESTS IN THIS PROCEEDING

The Scoping Notice solicited comments on the appropriate scope of the environmental review of PG&E’s application. Our letter is narrowly tailored to provide such comments. However, we begin by stating our strong support for approval of this application.

PG&E made a business decision to decommission the Project. While our community has come to rely on the water diversion and storage that exists as part of the Project, we accept that this is PG&E's decision to make and we support its application. With our support, PG&E included in its application a non-project use that will protect the public interest after license surrender is complete. Specifically, the application proposes that ERPA will construct the New Eel-Russian Facility (NERF) while PG&E is decommissioning Cape Horn Dam. NERF is essential for implementation of a regional initiative (known as the Two-Basin Solution) to support fisheries restoration in the Eel River while also ensuring water supply reliability in the Russian River Basin. This regional initiative is expressed in the "Water Diversion Agreement" (July 2025) between ERPA and its members (including MCIWPC), the State of California, Humboldt County, the Round Valley Indian Tribes, California Trout, and Trout Unlimited. We are very grateful that PG&E framed its application (decommissioning the Project to protect the interests of its power customers) so as to accommodate our work to implement the Two-Basin Solution.

Since 1908, the Potter Valley Project has diverted water from the Eel River to the East Fork Russian River. After discharge from the powerplant, diverted flow is used to supply Potter Valley Irrigation District (one of our member agencies) and then is stored in Lake Mendocino. Consistent with State Water Resources Control Board's Decision 1610 (1983), Sonoma Water operates that facility for water supply and environmental protection throughout the Russian River Basin. Indeed, your notice recognizes the contract between PG&E and the Potter Valley Irrigation District which must be protected.

Until 2006, the Project diverted an average of 150,000 acre-feet per year. From 2007 to 2020, annual diversions were approximately 60,000 acre-feet per year, consistent with the 2004 license amendments. Since 2021, diversions have ranged from 30,000 to 40,000 acre-feet per year, limited by the non-operating powerplant and seismic risks associated with Scott Dam. This imported water supply is used, directly or indirectly, by nearly 600,000 people in Mendocino, Sonoma and Marin Counties. It supports minimum flow for protection of anadromous fisheries, wildlife, and riparian ecosystems from Lake Mendocino to the Pacific Ocean. It is one of the only sources of water available for Potter Valley. And NERF will continue this imported water supply.

Along with others, we have invested many years of work in the development of the Two-Basin Solution. It remains the only locally-driven solution which: (1) allows PG&E to implement its business-driven decision to decommission the Project; (2) continues to provide a water supply for Potter Valley and downstream communities in the Russian River Basin represented by our member agencies; and (3) allows the Eel River to once again become essential habitat for endangered species. In sum, while the Commission will not issue permits for the construction or operation of NERF, we respectfully ask that Staff consider our interests in the non-project use that PG&E proposes.

COMMENTS ON SCOPING DOCUMENT 1

We now provide our comments on Scoping Document 1 (SD1). We organize these comments to track the section headings in that document for which comments are relevant.

2.2 Comments and Scoping Meetings

No comments. If Staff decides to prepare Scoping Document 2, we respectfully encourage publication within 60 days after the July 24 deadline for comments.

3.0 PROPOSED ACTION AND ALTERNATIVES

3.1 No-Action Alternative

No comments on the description of PG&E's proposed action. MCIWPC supports PG&E's proposal (pp. 10 - 11) to develop management plans in consultation with resource agencies, tribes, and other interested parties, and file the plans by July 2027. We conclude that these plans will greatly assist the environmental review and hearing on license surrender, allowing for confirmation that PG&E's proposed measures will avoid or mitigate the impacts and risks of Project decommissioning to the extent feasible.

MCIWPC has one comment on the description of the NPUPL in this section. Page 10 (third paragraph) reports that ERPA will undertake environmental review and obtain all permits necessary for operation of NERF. That is accurate. In addition, the environmental review and permits will also cover construction. Thus, the totality of the NERF proposal – construction, operation, and maintenance – will be covered by permits that ERPA secures. Put differently, the Commission would authorize PG&E to allow ERPA to undertake construction, only if satisfied that ERPA has completed environmental review and secured all necessary permits.

3.2 Applicant's Proposed Action

MCIWPC agrees with the description of the proposed action. However, MCIWPC *urges* that the Proposed Action also clearly identify the water supply impacts associated with the removal of Scott Dam if such removal occurs before, during, or after the construction of new storage in the Russian River Basin. Currently, water stored in Scott Dam during the winter and wet spring is released in the late spring and summer and diverted to the Russian River Basin, including to the Potter Valley. Once Scott Dam is removed as part of the Proposed Action, water can only be diverted when hydrologically available and subject to the terms of the Water Diversion Agreement. That means that unless water can be stored in the winter and wet spring in the Russian River basin in *new* storage facilities, water will not be available in the late spring and summer months when needed for irrigation, environmental purposes, and downstream domestic uses. This impact *must* be analyzed under the Proposed Action. We encourage you to review the comment letter from Potter Valley Irrigation District which clearly documents this issue.

3.3 ALTERNATIVES TO THE PROPOSED ACTION

3.4 Alternatives considered but eliminated from detailed study

We agree that fishways, or other permanent facilities at PG&E's expense, would not be appropriate conditions of license surrender, which by definition will terminate the license and the Commission's jurisdiction over any remaining facilities and the associated lands and waters.

3.4.2 Retention of Scott Dam

As SD1 reports, PG&E notified the Commission in January 2019 that it would not seek a new license for this project. Under the Federal Power Act, the Commission may not compel a licensee to seek a new license (and thus, retain a project work like Scott Dam), as long as that licensee pursues license surrender to conclusion. As described on page 3, the Commission set a deadline under 18 C.F.R. § 16.25 for any interested entity to file a Notice of Intent to pursue a new license, as PG&E's potential successor. That deadline passed more than seven years ago. The deadline to file a new license application passed more than four years ago. No entity stepped forward with a serious proposal. Thus, this alternative would assume that an unknown entity would own and retain Scott Dam, assuming capital costs and liabilities likely in the tens of millions of dollars. MCIWPC agrees that is an unreasonable assumption, and that Staff may eliminate this alternative from detailed consideration.

3.4.3 Surrender and Decommissioning (dam removal) without NERF

MCIWPC supports Staff's decision to eliminate this alternative from detailed analysis. Absent NERF, and once decommissioning occurs, the infrastructure would not exist to divert flow from the Eel into the Russian for satisfaction of PG&E's contract with Potter Valley Irrigation District or other water supply uses in the Russian Basin. This would cause significant, unavoidable adverse effects on municipal, agricultural, and other users that have relied on imported flow for decades. It would significantly impair reliable storage in Lake Mendocino. Indeed, NERF is the only proposal (in a form specific enough for the Commission's review) to continue diversion from the Eel into the Russian. It is the result of more than a decade of collaboration between public agencies (including water agencies), and tribal and conservation stakeholders, in the Eel and Russian Basins. It balances the beneficial uses of anadromous fisheries and water supply protection, proposing a regional solution after the Project is retired.

4.0 SCOPE OF RESOURCE ISSUES

4.1 Cumulative Effects

The first such effect is the construction and operation of NERF. MCIWPC agrees this is a cumulative effect. ERPA intends to publish an Environmental Impact Report under the California Environmental Quality Act, addressing the direct, indirect, and cumulative effects of this project, as the basis for federal and state permits necessary for construction and operation. We have no comments on the other listed effects but again note the need to consider the effect of the loss of storage on water supply availability and the need for the analysis to consider the impact of the timing for the creation of new storage.

5.0 REQUEST FOR INFORMATION

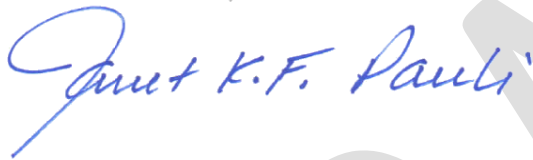
MCIWPC respectfully suggests that Staff review the record that ERPA has compiled for the design, construction, and operation of NERF, as well as its analysis of alternatives. This record is available at <https://www.eelrussianauthority.org/reports>.

As noted above, we also respectfully request that Staff review the comment letter submitted by Potter Valley Irrigation District which provides more detail on the water supply contract that exists between PG&E and Potter Valley Irrigation District.

6.0 CURRENT PROCESSING SCHEDULE

MCIWPC respectfully suggests that, in SD2 or other notice, Staff describe their proposed schedule for the license surrender proceeding after PG&E files its management plans and other specifications in July 2027.

Respectfully submitted,



Janet K.F. Pauli, Chair
Mendocino County Inland Water and Power Commission

Cc: Service list