September 17, 2026

Via FERC eFiling

Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

Re: Potter Valley Hydroelectric Project (P-77-332)
Comments on Scoping Document 1

Dear Secretary Reese and Commission Staff:

The California Farm Bureau (Farm Bureau) appreciates the opportunity to comment on Scoping Document 1 (SD1), issued May 22, 2026, for the proposed surrender and decommissioning of the Potter Valley Hydroelectric Project No. 77 and the related proposed non-project use of project lands to construct the New Eel-Russian Facility (NERF).

Farm Bureau is California's largest and oldest statewide agricultural organization, comprised of 54 county Farm Bureaus representing more than 23,000 members across the state, including substantial membership in Mendocino and Sonoma counties whose water supplies are directly tied to operation of the Potter Valley Project; and in Lake, Marin, and Humboldt counties which will all be affected by changes in the Eel River and Russian River watersheds as a result of decommissioning. Farm Bureau advocates on water rights, supply, and infrastructure issues on behalf of our diverse membership, and we are commenting on this proceeding to ensure their interests are considered.

Farm Bureau membership holds a genuine range of views on decommissioning of the Potter Valley Project and removal of the Scott and Cape Horn dams. Some members remain strongly opposed to removal, given the loss of Lake Pillsbury storage and the reservoir's role in water supply, recreation, and fire protection. Others feel that, in light of the seismic stability concerns PG&E has documented at Scott Dam, PG&E's determination that continued operation of the project is uneconomic, and the absence of a viable relicense applicant after multiple years of process, decommissioning is the most probable future condition for the project. Those members are focused less on whether removal occurs than on ensuring that the transition away from the current project preserves, to the fullest extent achievable, a reliable water supply for the farmers and ranchers of Mendocino and Sonoma counties who have depended on Eel River diversions for more than a century. As a general policy position, Farm Bureau believes that surface water storage is a critical element to meet current and future water demand and should be both protected and expanded. However, this letter does not take a position on removal of Scott Dam, Cape Horn Dam, or project decommissioning. It is directed instead at sequencing, water supply protection, and the scope of hydrologic analysis that Commission staff should undertake in its review and documentation required under the National Environmental Policy Act (NEPA).

The regional stakes involved in this matter are substantial and well-documented. Water supply modeling performed by Sonoma Water Agency and presented to the Russian River Water Forum's Water Supply and Fisheries Working Group found that under a "no inter-basin transfer" scenario (i.e., the elimination of Eel River diversions to the Russian River) average annual inflow to Lake Mendocino would fall approximately 44 percent below baseline, average low storage levels would run approximately 73 percent lower than baseline, and the number of years in which Lake Mendocino drains would increase by approximately 5,200 percent.[1] A Sonoma County Farm Bureau-sponsored economic study similarly estimated that a 10-to-30 percent reduction in Eel River imports could result in annual business revenue losses of $6 million to $18.5 million for the agricultural sectors of Sonoma and Mendocino counties alone, and $65 million to $195 million across the broader regional economy.[2] Farm Bureau first raised these figures in a December 22, 2023, letter to PG&E on the initial draft surrender application (Attachment 1). These figures underscore why the sequencing of dam removal against NERF construction progress, addressed further below, is not a procedural technicality but a matter of substantial regional consequence.

Farm Bureau appreciates the Commission staff's preliminary determination, in Section 3.4.3 (Surrender and Decommissioning (dam removal) without NERF) to eliminate from detailed study the alternative of removing Scott Dam and Cape Horn Dam without construction of the NERF. SD1 correctly recognizes that doing so without first constructing NERF would eliminate the infrastructure necessary for any future diversion to the East Branch Russian River and would adversely affect PG&E's obligation to deliver up to 19,000 acre-feet of water under its contract with the Potter Valley Irrigation District. We urge the Commission to carry this determination forward as a firm feature of any surrender order, rather than treating it as a preliminary scoping conclusion subject to later revision, and to build on that determination in three ways.

1. **Sequencing.** The Commission's NEPA document should require concrete progress toward NERF construction before any decommissioning activity related to Scott Dam begins. As proposed, PG&E's surrender order would remove NERF from the project boundary only after the facility has been constructed, which appropriately conditions completion of PG&E's licensing obligations on NERF construction. The scoping record should also address whether removal of Scott Dam should be allowed to begin before the NERF has reached a specified stage of construction or pre-construction, rather than before PG&E and the Eel-Russian Project Authority (ERPA) have merely signaled intent to eventually complete it. We ask that the Commission build concrete construction milestones for the NERF into any surrender order, rather than relying on good intentions and aspirational planning commitments alone. Farm Bureau's 2023 letter to PG&E further recommended that the parties explore whether funds associated with removal of Scott Dam and Cape Horn Dam, for which published cost estimates range as high as $236 million and $100 million, respectively[3], could be entirely or

[1]Powerpoint presentation by Don Seymour, P.E., Deputy Chief Engineer, Sonoma County Water Agency, to the Russian River Water Forum Water Supply and Fisheries Working Group, June 21, 2023 (accessed December 21, 2023, at https://russianriverwaterforum.org/wp/wp-content/uploads/1-June-21-2023-Presentation.pdf).
[2]Economic Impact of Potter Valley Project (PVP) and Estimated Effects on Sonoma County Economy, Economic Forensics and Analytics, Inc., Petaluma, CA, October 2023 (prepared for the Sonoma County Farm Bureau), pp. 15-16 (accessed at https://sonomafb.org/portfolio-items/potter-valley-project/).
[3]"Scott Dam and Cape Horn Dam Removal Alternatives," Technical Memorandum, McMillen Jacobs Associates (prepared for the Two-Basin Solution Partners) (November 2021), Table 2-1 ("Scott Dam Removal Alternatives Cost Estimate

partially repurposed toward concurrent completion of the NERF. Farm Bureau recommends that again and requests that the NEPA document evaluate the feasibility of cost-sharing or funding coordination between decommissioning activities and NERF construction as one means of achieving the construction milestones described above on a more predictable timeline.

2. **Water Supply Impact Mitigation.** On a related matter, NERF is designed primarily to enable diversion to the East Branch Russian River; it does not by itself address the water supply needs of the farms, ranches, and families in Potter Valley itself. Farm Bureau understands that small-scale, in-valley or upstream storage facilities serving Potter Valley water users to replace lost supplies following decommissioning would not be part of PG&E's surrender application and would fall outside the Commission's jurisdiction over this project. Such facilities would require separate permits, funding, and potentially other agreements with a variety of federal, state, and local or regional entities. However, Farm Bureau requests that the Commission's NEPA document acknowledge the potential for locally-serving storage as a measure that could mitigate water supply effects of decommissioning on Potter Valley, either as part of the cumulative effects discussion in Section 4.1, which already addresses Sonoma Water's potential water reliability improvements in Potter Valley; or, as part of the reasonably-foreseeable-effects analysis the Commission may now prepare under NEPA following the Council on Environmental Quality's rescission of the NEPA implementing regulations.[4]

3. **Analysis of Risks to Domestic Wells**. The scope of hydrologic analysis in Section 4.2.2 (Water Use and Hydrology) should be expanded to address a distinct and underappreciated impact of decommissioning: domestic wells in Potter Valley are effectively dependent on shallow aquifer recharge that results from irrigation using water released from Van Arsdale Reservoir. SD1 currently identifies the "effects of drawdown and removal of Lake Pillsbury on groundwater, i.e., local groundwater wells," but that framing centers on physical proximity to project reservoirs and does not capture the incidental groundwater replenishment in Potter Valley that only occurs as a result of the project. The recharge that supports most, if not all, domestic wells in Potter Valley depends on continued irrigation diversions with water released from Van Arsdale, and not on the presence of Lake Pillsbury storage upstream. Well completion reports maintained by the California Department of Water Resources indicate that more than 450 homes in Potter Valley rely on domestic wells, all of which are dependent on recharge from irrigation.[5] No other existing surface water treatment, distribution, and delivery system exists to supply residential water service to the community. Any reduction or interruption in surface water supplies during or after decommissioning could materially affect domestic water supply, not merely irrigation supplies. Farm Bureau requests that the Commission's NEPA document specifically study

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Summary") and Table 3-1 ("Cape Horn Dam Removal Alternatives Cost Estimate Summary") (accessed December 21, 2023, at https://eelriver.org/wp-content/uploads/2022/11/FS-Scott-Dam-and-Cape-Horn-Dam-Removal.pdf).

[4]Removal of National Environmental Policy Act Implementing Regulations, 91 Fed. Reg. 618 (Jan. 8, 2026) (final rule; codified removal of 40 C.F.R. pts. 1500–1508).

[5]California Department of Water Resources, Online System for Well Completion Reports (OSWCR), https://data.cnra.ca.gov/dataset/well-completion-reports. Farm Bureau requests that Commission staff independently verify this figure with DWR as part of the NEPA document's preparation.

this as a distinct resource issue, separate from the analysis of agricultural water supply loss, and that it be evaluated in Potter Valley rather than limited to wells immediately adjacent to Lake Pillsbury or Van Arsdale Reservoir.

Farm Bureau appreciates the Commission's efforts to develop a thorough and balanced NEPA document and welcomes the opportunity to continue engaging with Commission staff or other parties on this matter. Please do not hesitate to contact me with any questions at abiering@cfbf.com or 916-446-4647.

Sincerely,

Alexandra Biering
Director, Policy Advocacy

Via Email
PVSurrender@pge.com

December 22, 2023

Tony Gigliotti
Senior Licensing Project Manager
Pacific Gas and Electric Company
12840 Bill Clark Way
Auburn, CA 95602

Re: Initial Draft Surrender Application and Conceptual Decommissioning Plan – Potter Valley Hydroelectric Project

Dear Mr. Gigliotti:

The California Farm Bureau Federation (Farm Bureau) is very concerned about the impacts to communities, including agricultural operations, from the Decommissioning Plan for the Potter Valley Hydroelectric Project (Plan) released by Pacific Gas and Electric Company (PG&E), with special focus on Mendocino and Sonoma Counties. We address the deficiencies in the Plan with recommendations for methods and information that will better support the New Eel-Russian Facility[1] with a goal of providing sufficient time and information to fulfill the objectives of that facility. The Plan provides a very mechanical approach to the implications from the decommissioning process. We hope to provide some real world context about the ramifications from the Plan and the need for flexibility.

INTRODUCTION

The Farm Bureau is a non-governmental, non-profit, voluntary membership California corporation whose purpose is to protect and promote agricultural interests throughout the State of California and to find solutions to the problems of the farm, the farm home, and the rural community. Farm Bureau is California's largest farm organization representing approximately 29,000 members in 54 counties. Farm Bureau strives to protect and improve the ability of farmers and ranchers engaged in production agriculture to provide a reliable supply of food and fiber through responsible stewardship of California's resources. Farm Bureau also aims to improve the ability of individuals engaged in production agriculture to utilize California's resources to produce food and fiber in the most profitable, efficient, and responsible manner possible guaranteeing our nation a domestic food supply.

[1] Plan, page 1-2.

In order to properly frame the impacts associated with the Plan it is important to consider agricultural operations in Sonoma and Mendocino Counties. Specifically, Potter Valley Irrigation District provides agricultural water for Potter Valley, in Mendocino County, California, using a portion of the water diverted through the power plant. Potter Valley's family farms produce wine grapes, pears, grass-fed cattle, sheep and other agricultural products valued at over $34 million.[2] In addition to water relied upon in the Potter Valley area now for over a century, other users, aquatic habitats, and the broader regional economies of both Counties of Mendocino and Sonoma have also come, over the same period, to rely on water imported from the Potter Valley Project as a critical part of the area's overall regional water portfolio. Sonoma County boasted in 2022 a reported total agricultural gross production value of $796,024,800. Agricultural products in Sonoma County include, but are not limited to, wine grapes, apples, livestock and poultry production, and nursery crops.[3] The gross agricultural value of Mendocino County was a very substantial $200.5 million, including $84.5 million in fruit and nuts, and $18.4 million in livestock production.[4]

Recent modeling results presented by Don Seymour, Deputy Chief Engineer for the Sonoma County Water Agency to the Russian River Water Forum's Water Supply and Fisheries Working Group[5], under a "No Inter-basin Transfer" scenario, highlighted severe regional water supply consequences at the critically important existing Lake Mendocino facility including the following:

- "Average annual inflow […] approximately 44 percent less than baseline…"
- "Average low storage level […] approximately 73 percent lower than baseline…"
- "Number of years Lake Mendocino drains […] approximately 5,200 percent more than baseline…"
- "Average June – Sept. flows at Cloverdale […] approximately 27 percent less than baseline…"

The amount of water imported from the Eel River to the Russian River has declined over time as a result of FERC proceedings, biological opinions, litigation, and minimum flows. Eel River flow has declined from approximately 2 percent pre-2006 to a

[2] https://www.pottervalleywater.org/
[3] Sonoma County Department of Agriculture, Weights and Measures, 2022 Crop Report.
[4] Mendocino County 2021 Crop Report, p. , County of Mendocino, Department of Agriculture (accessed December 21, 2022, at https://www.mendocinocounty.org/home/showpublisheddocument/55798/638113689095530000).
[5] Powerpoint presentation by Don Seymour, P.E., Deputy Chief Engineer, Sonoma County Water Agency to the Russian River Water Forum Water Supply and Fisheries Work Group, June 21, 2023, (accessed December 21, 2023, at https://russianriverwaterforum.org/wp/wp-content/uploads/1-June-21-2023-Presentation.pdf).

current estimate of just 1.85 percent of total annual post-2006 flow. [6] In the critical drought year of 2021 severe water shortages and almost universal water curtailments in the Russian River watershed highlighted the kind of extreme water supply volatility that the area could be subject to in the future.

The Russian River is a flashy low-elevation, coastal, rainfed watershed where natural flow runoff peaks and then rapidly runs off unless diverted and/or stored within the same year or year-to-year. Due to the lack of Eel River diversions beyond the barest minimum of delivery to Potter Valley contractors in 2021 and 2022, an innovative and widely praised voluntary Water Sharing Program, that could have avoided harsh and unnecessary water supply impacts by providing potential flexibility among Russian River users, was all but canceled in 2022 due to sharply reduced Potter Valley Eel River transfer flows under a PG&E 2022 flow variance.[7]

Senior agricultural rights in low-flow years are particularly impacted due to the lack of stored water.[8] As current projections and water supply modeling by the Sonoma County Water Agency show,[9] such extreme drought shortages are likely to be only more frequent in a highly unpredictable, climate-impacted environment. In such a chronically water-short watershed, even the proportionally small amount of imported water historically available from the Eel River watershed becomes critical, not only for agriculture and the many ag-linked business and industries in the two primarily impacted counties, but also for cities, the impacted Russian River Watershed ecosystem, fisheries and tribal communities.

In addition to historically vested contractual rights directly supporting long-standing established water rights in the Potter Valley itself, a physical ability to convey winter and spring wet-season "run-of-river" diversions into the Russian River is critical.

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[6] See Russian River Water Forum Water Supply and Fisheries Working Group June 21, 2023, "Water Supply" powerpoint presentation by Don Seymour, Deputy Chief Engineer for the Sonoma County Water Agency, showing "Reduced Potter Valley Project Diversion" Slide No. 5, from the relevant historic Pre-2007, 2007-2020, and Post-2020 periods (from average annual diversions of 140 taf/yr to 60 taf/yr to 40 taf/yr, representing historic reductions from the pre-2007 to the 2007-2020 and post-2020 periods of 57 and 74 percent, respectively).

[7] See State Water Resources Control Board "2022 Upper Russian River Voluntary Water Sharing Program Implementation Report," January 31, 2023, p. 2 (accessed December 21, 2023, at https://www.waterboards.ca.gov/drought/russian_river/docs/2022/2022-wsp-implement-report.pdf).

[8] See, e.g., 1) Russian River Water Forum Water Rights and Water Management Working Group Meeting No. 3 September 18, 2023, powerpoint at Slide 15 ("Proposed Water Rights 'Buckets'," describing the various Russian water rights classes of users, including natural flow and/or direct diversion senior, generally agricultural riparian and appropriative water rights holders), and 2) Russian River Water Forum Water Supply and Fisheries Working Group June 21, 2023, powerpoint presentation by Don Seymour, Deputy Chief Engineering for the Sonoma County Water Agency, "Priority Analysis of Lake Mendocino Releases" (showing priority-based rights to past-year stored Lake Mendocino water, the principal Upper Russian River water source in extreme year, as opposed to year-in-course Russian River natural flows or residual Potter Valley/imported Eel River abandoned flows for direct diversion).

[9] See *supra*.

That physical ability is an essential resilience and long-term water supply reliability feature of any long-term viable and equitable "Two Basin Solution" that addresses the reasonable needs of *all* beneficial uses in *both* the Eel and Russian River watersheds, as well as the entire impacted regional economy and population of the Counties of Sonoma and Mendocino. While uncertainties surround a variety of water rights questions, the key and indisputable point here is that *some* long-term continuation of the *physical* means to move supplemental Russian River supplies is needed. At least *some* continued level of the historic reliability associated with past Eel River inter-basin transfer water is *essential* to the welfare of the *whole* region. As part of a viable and just "Two Basin Proposal" serving the two co-equal goals, proper balancing of equities and relative benefits across the two basins in the public interest is necessary, both as a cardinal principle of California water law and from a basic equitable and economic perspective.

THE NEW EEL-RUSSIAN FACILITY SHOULD BE SUPPORTED

As a policy matter, Farm Bureau supports the objectives of the Proponents for the New Eel-Russian Facility, which is dedicated to the coequal goals of (1) enhancing fish migration and habitat in the Eel River to achieve naturally reproducing, self-sustaining, and harvestable native anadromous fish populations, and (2) sustaining the ongoing water diversion from the Eel River through the existing tunnel to the Russian River. While there are many trade-offs and unresolved questions, including the level of reasonably achievable fisheries benefits and recovery, this commitment is aimed at ensuring water supply reliability, supporting fisheries, and maintaining water quality in the Russian River basin. At this stage, PG&E should be willing to work with the Proponents in every feasible way, in order to provide the tools necessary to continue the services associated with the project that have evolved over the years.

The importance of finding a solution, short of eliminating all current diversions, was analyzed in a study sponsored by the Sonoma County Farm Bureau.[10] Although a complete benefit-cost analysis of dam removal was beyond the scope of the paper, the results presented certainly suggest that the answer is not clear. In low rainfall years, the economic costs are significant. Estimated annual "Business Revenue or Output" losses under a 10 to 30 percent "Loss Scenario" range from $6 to 18.5 million for the agricultural sectors in Sonoma and Mendocino Counties, and from $65 to $195 million for all sectors of the highly agriculturally-supported regional economy including, specifically, the closely integrated "Agricultural," "Commercial," "Residential," and "Municipal" sectors.[11] As noted, this is assuming only a 10 to 30 percent cut in imports; under a 100-percent 'No Inter-basin Transfer" scenario, logically, therefore, the impacts would be proportionately higher. In an era where water scarcity, throughout California, is likely to grow as a policy

[10] Economic Impact of Potter Valley Project (PVP) and Estimated Effects on Sonoma County Economy. https://sonomafb.org/portfolio-items/potter-valley-project/

[11] Economic Impact of Potter Valley Project (PVP) and Estimated Effects on Sonoma County Economy, Economic Forensics and Analytics, Inc., Petaluma, CA, October 2023 (prepared for the Sonoma County Farm Bureau).

issue, the elimination of these dams as a source of water supply must be very carefully contemplated.[12] Since PG&E's decommissioning process, related FERC proceedings, and the many details of the proposed transfer of responsibilities to the Proponents could very well take many years (including, potentially, one or more intervening, future drought cycles) it is also very important to stress the critical importance of flexibility. Due consideration of equitable and historic reliance aspects, and of at least some corresponding level of on-going Eel River diversions during the interim period, is warranted.

To facilitate the New Eel-Russian Facility, we recommend that the timelines for the Plan[13] be flexible to allow the Proponents sufficient time to exhaust remedies to fulfill their objectives. Furthermore, the timeline references time periods to allow for consultation with parties but identifies only Resource Agencies and Tribes as those to be consulted. We assume that all stakeholders will have the opportunity for further consultation with PG&E, including importantly the Proponents.

Although the Plan does not specify the costs associated with its elements, estimates for just the removal of Scott Dam range as high as $236 million, but also as low as $52 million, with a "Median Construction Cost" cost in the range of $106 to 118 million.[14] Similarly, the cost of the proposed Cape Horn Dam Removal is estimated as high as $100 million, but also as low as $19 million, with a "Medium Construction Cost" in the range of $27.5 million to $66 million.[15] And these estimates are only part of the overall cost associated with the Plan. In contrast, the estimated cost of various potential Cape Horn Dam fish passage improvement alternatives ranges as low as $18 million, and as high as $100 million, with a "Medium Construction Cost" in the range of $17 million to $66 million.[16]

As discussions move forward, it will be essential to look for pragmatic solutions that can provide benefits to all interests, even if no one is completely satisfied. Finding a result that everyone can live with would be a realistic benchmark. For example, we recommend consideration of potential combined engineering designs and economies of scale, potential cost sharing, granting funding, or other creative financing strategies. Utilizing any funds that can be repurposed from the proposed dam removal and

[12] Ibid., pages 15-16.
[13] Plan, page 1-1.
[14] "Scott Dam and Cape Horn Dam Removal Alternatives," Technical Memorandum, McMillen Jacobs Associates (prepared for the Two-Basin Solution Partners) (November 2021), Table 2-1 (pp. 12 and 13), "Scott Dam Removal Alternatives Cost Estimate Summary" (accessed December 21, 2023, at https://eelriver.org/wp-content/uploads/2022/11/FS-Scott-Dam-and-Cape-Horn-Dam-Removal.pdf).
[15] *Id.* at pp. 32 and 33 (Table 3-1: "Cape Horn Dam Removal Alternatives Cost Estimate Summary").
[16] "Cape Horn Dam Fish Passage Improvements," Technical Memorandum, McMillen Jacobs Associates (prepared for the Two-Basin Solution Partners) (November 2021), Table 3-1 (pp. 12 and 13), "Scott Dam Removal Alternatives Cost Estimate Summary" (accessed December 21, 2023, at https://eelriver.org/wp-content/uploads/2022/11/FS-CHD-Fish-Passage-Improvements.pdf).

decommissioning for concurrent completion of the New Eel-Russian Facility should be thoroughly explored. Funding challenges are always a part of project planning, and if there is any way that costs associated with the Plan can be leveraged in a way that achieves goals for stakeholders that effort should be pursued.

CONCLUSION

Farm Bureau encourages PG&E to exert maximum effort to uphold water delivery to regions that have evolved over a century relying on the existing water system. This includes cities, small businesses, residents, farms, and ranches. Thank you for the opportunity to provide our comments. The Farm Bureau looks forward to further involvement and discussion with PG&E on this project.

Very truly yours,

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