

July 24, 2026

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

COMMENTS

**Applicant: Pacific Gas and Electric Company — Potter Valley Hydroelectric Project,
Docket No. P-77-332**

**Re: Scoping Comments on Scoping Document 1 — Opposition to Application for
Surrender of License and Non-Project Use of Project Lands, Potter Valley Hydroelectric
Project, Project No. 77-332**

Dear Secretary Reese:

I submit these comments in response to Scoping Document 1 (“SD1”), issued May 22, 2026.¹ The environmental document the Commission prepares from this scoping record will drive its decision on Pacific Gas and Electric Company’s (“PG&E”) application to surrender its license and decommission the Potter Valley Project, and on the proposed non-project use of project lands to construct the New Eel-Russian Facility (“NERF”). Two principles should frame that review. First, under Section 6 of the Federal Power Act a license may be surrendered only upon mutual agreement between the licensee and the Commission, under a public-interest standard. Surrender is not a foregone conclusion merely because PG&E has decided the Project no longer serves its business interests.² Second, the National Environmental Policy Act, as amended in 2023, expressly requires analysis of “a reasonable range of alternatives,” including “the case of a no action alternative,” and requires the agency to study, develop, and describe appropriate alternatives where there are unresolved conflicts over the use of available resources.³ Measured against those obligations, SD1 starts from the wrong place: it proposes to eliminate from detailed study every alternative that would preserve this water-supply and public-safety infrastructure, while deferring the effects of removal to a replacement facility that is smaller, seasonal, unfunded, and unbuilt. These comments ask the Commission to correct both defects.

¹FERC, Scoping Document 1, Potter Valley Hydroelectric Project, Project No. 77-332 (May 22, 2026) (“SD1”). Scoping comments are due on or before 5:00 p.m. Eastern Time, July 24, 2026.

²Federal Power Act § 6, 16 U.S.C. § 799; 18 C.F.R. § 6.2; see Project Decommissioning at Relicensing, Policy Statement, 60 Fed. Reg. 339 (Jan. 4, 1995) (decommissioning must be “consistent with the public interest”), <https://www.govinfo.gov/content/pkg/FR-1995-01-04/pdf/95-63.pdf>.

³42 U.S.C. § 4332(2)(C)(iii) (as amended by Pub. L. No. 118-5 (2023), requiring analysis of “a reasonable range of alternatives . . . including an analysis of any negative environmental impacts of not implementing the proposed agency action in the case of a no action alternative”); id. § 4332(2)(H); see *Robertson v. Methow Valley Citizens Council*, 490 U.S. 332 (1989).

I. The Commission should analyze, not eliminate, the reasonable alternatives that preserve Project infrastructure.

The no-action alternative (SD1 § 3.1) must be fully analyzed, not merely referenced. SD1 concedes that no-action establishes the “baseline environmental conditions for comparison” yet declares it unreasonable because PG&E has determined the Project is uneconomic to operate. That conflates the applicant’s business case with the Commission’s analytical duty. Congress amended NEPA in 2023 to name the no-action alternative expressly;⁴ the environmental document should analyze continued operation as a genuine alternative and baseline, not a rhetorical reference point.

Retention and modernization of Scott Dam (SD1 § 3.4.2) was eliminated on a premise the record contradicts. SD1 dismisses retention of Scott Dam as infeasible, citing “seismic stability concerns” and past efforts to find an operator. But the most recent dam-safety inspection of record conducted by the California Department of Water Resources, Division of Safety of Dams (“DSOD”), in October 2023 found Scott Dam and its appurtenant structures safe for continued use.⁵ The interim 10-foot restriction on the reservoir’s maximum operating level⁶ was a precaution PG&E adopted based on updated seismic modeling while stating that the dam “is not at risk of imminent failure” and that “the seismic risks for the Scott Dam remain low”; DSOD concurred in the reduced storage.⁷ A dam certified safe for continued use and operated under a cautious interim restriction is a candidate for retrofit and continued operation. The County of Lake’s independent technical consultant found that PG&E “has opted not to fund or evaluate alternative solutions,” and that the Commission can, and has, required surrender with infrastructure left in place where the public interest warrants.⁸ Nor is the absence of a willing operator a reason to refuse to study the alternative: that absence is a product of the surrender posture itself. The environmental document should analyze retention and modernization of Scott Dam as a reasonable alternative, and the Commission should require PG&E to produce the 2023 DSOD inspection report, its seismic-retrofit engineering, and a genuine retrofit-versus-removal cost-benefit analysis.

Phased removal (SD1 § 3.4.1) was eliminated for applicant convenience, not comparative merit. SD1 explains that phased removal was rejected because it would not eliminate unavoidable adverse effects and “would not meet PG&E’s interest” in expeditious removal. Yet SD1’s own description shows phased removal would spread sediment releases across successive high-flow seasons — approximately 1.1 million cubic yards in the first year, 8.5 million in the second, and

⁴See 42 U.S.C. § 4332(2)(C)(iii), *supra* note 3.

⁵County of Lake, California, “Lake Pillsbury,” <https://www.lakecountyca.gov/1859/Lake-Pillsbury> (reporting the October 2023 Division of Safety of Dams inspection finding Scott Dam safe for continued use).

⁶SD1 § 1.2 & n.8 (describing PG&E’s interim 10-foot restriction on the maximum reservoir operating level).

⁷Russian River Flood Control District, “Seismic Safety of Scott Dam on Eel River,” <https://www.rrfc.net/seismic-safety-of-scott-dam-on-eel-river>.

⁸County of Lake / SLR International Corp., Comment Letter on PG&E Draft Surrender Application (Feb. 25, 2025), <https://health.lakecountyca.gov/DocumentCenter/View/14650/Lake-County---Potter-Valley-Project---Comment-Letter-PGE-SLR-Comments-2025-02-25>.

2.4 million in the third — rather than concentrating them.⁹ If any removal is considered, phased removal is a facially reasonable means of reducing downstream sediment and water-quality harm and should be analyzed on its merits.

Federal takeover and non-power license (SD1 §§ 3.4.4–3.4.5) rest on a premise that is now in doubt. Both alternatives were screened out because no federal or other governmental entity had expressed willingness to assume the Project. The Secretary of Agriculture has since intervened in this docket and filed comments urging the Commission to reject the application unless significant deficiencies are addressed.¹⁰ The Commission should keep these alternatives available as federal interest develops during the review.

II. The environmental document must quantify the effects of decommissioning on the human environment.

SD1 § 4.2 identifies the resource areas the Commission will analyze. The record already contains substantial evidence, much of it from PG&E’s own application and from government sources, that these effects are concrete, quantifiable, and severe. They should be analyzed now, not deferred to the separate, future review of the NERF.

Downstream water supply (SD1 § 4.2.2). The Project’s diversions into the East Fork Russian River and Lake Mendocino sustain a large downstream population: Sonoma Water supplies more than 600,000 residents in Sonoma and Marin counties through nine contracting cities and districts,¹¹ and the upper-river communities of Ukiah, Healdsburg, Cloverdale, and Hopland depend on Lake Mendocino and the upper Russian River. The Mendocino County Water Agency has estimated that without the Project, Lake Mendocino would likely go dry in four out of every ten years.¹² The proposed replacement cannot fill that hole. Project diversions have already fallen from roughly 150,000 acre-feet per year before 2006, to about 60,000 acre-feet from 2007 through 2020, to 30,000–40,000 acre-feet since 2021.¹³ At the May 29, 2025 Inland Water and Power Commission “All Boards” briefing, the consulting engineers projected that the NERF would divert only about 32,000–35,000 acre-feet per year, only during the rainy season (typically December through April), with diversions potentially halting entirely in drought years — and that NERF construction would not begin until sometime between 2031 and 2039.¹⁴ Farmers irrigate, and

⁹SD1 § 3.4.1 (describing the phased-removal alternative’s sediment-flushing sequence).

¹⁰M. Kelly, “Trump administration intervenes in dispute over future of PG&E’s Potter Valley Project,” Press Democrat (Dec. 20, 2025), <https://www.pressdemocrat.com/2025/12/20/trump-administration-intervenes-in-dispute-over-future-of-pges-potter-valley-project/>.

¹¹Sonoma Water, “Quick Facts,” <https://www.sonomawater.org/quick-facts>.

¹²Potter Valley Irrigation District (quoting Mendocino County Water Agency, Jan. 2022), <https://www.pottervalleywater.org/>.

¹³Eel-Russian Project Authority, “FAQs,” <https://www.eelrussianauthority.org/faqs>.

¹⁴M. Huettl, “Water worries rise as leaders plan for life after the Potter Valley Project,” MendoFever (June 3, 2025) (reporting the May 29, 2025 Inland Water and Power Commission “All Boards” briefing), <https://mendofever.com/2025/06/03/water-worries-rise-as-leaders-plan-for-life-after-the-potter-valley-project/>.

municipal demand peaks, precisely when the NERF would be idle; Potter Valley growers likewise depend on dedicated spring frost-protection water that a rainy-season-only pump station cannot reliably provide.¹⁵ The environmental document should quantify these effects on named municipal and agricultural users, including the multi-year gap between dam removal and any functioning replacement, and the effects of Lake Pillsbury drawdown on local groundwater wells, which PG&E’s application left unexamined.¹⁶

Sediment and downstream drinking water (SD1 § 4.2.3). PG&E’s application lacks a detailed plan for managing the estimated 21 to 35 million cubic yards of sediment and 115,000 cubic yards of dam materials that decommissioning would displace.¹⁷ The California State Water Resources Control Board has recognized that the project has the potential to temporarily and adversely affect downstream drinking-water supplies due to elevated sediment concentrations.¹⁸ The 2024 Klamath River drawdown — the very model removal proponents invoke — mobilized reservoir sediment in large volumes, producing sharp short-term turbidity and killing fish, even as other indicators remained within expected levels.¹⁹ Sonoma Water’s Russian River collector wells serving the 600,000-person system are sensitive to turbidity. The environmental document should quantify sediment-transport and downstream drinking-water intakes and require characterization of reservoir sediments before any removal is authorized.

Economic harm to a water-dependent region (SD1 § 4.2.12). The dependent agricultural economy is large and quantified: Sonoma County reported total agricultural production of \$857.6 million in 2024, led by winegrapes at \$626.6 million,²⁰ and inland Mendocino County’s wine-grape economy adds roughly \$130 million more.²¹ A regional economic study estimates that every 100 acre-feet of water lost to the inland Mendocino study area costs approximately \$8.9 million in economic output, 61 jobs, and \$189,000 in local tax revenue.²² The County of Lake projects the

¹⁵Potter Valley Irrigation District, *supra* note 12 (dedicated spring frost-protection deliveries).

¹⁶County of Lake / SLR International, *supra* note 8 (reduced groundwater recharge and effects on wells).

¹⁷County of Lake, “Lake Pillsbury,” *supra* note 5 (estimated 21–35 million cubic yards of sediment and 115,000 cubic yards of dam materials).

¹⁸California State Water Resources Control Board, Notice of Preparation, Potter Valley Project (Sept. 2025), https://www.waterboards.ca.gov/waterrights/water_issues/programs/water_quality_cert/docs/2025/potter-valley-nop.pdf.

¹⁹NOAA Fisheries, “Klamath River Reshapes Itself as Flushing Flows Move Reservoir Sediment Downriver” (Mar. 2024), <https://www.fisheries.noaa.gov/feature-story/klamath-river-reshapes-itself-flushing-flows-move-reservoir-sediment-downriver>.

²⁰County of Sonoma, 2024 Crop Report (Sept. 9, 2025) (total agricultural production \$857,620,400; winegrapes \$626,550,200), <https://sonomacounty.gov/sonoma-county-reports-8576-million-in-agricultural-production-for-2024-highlights-resilience-of-poultry-producers-shifts-in-grape-and-apple-markets>.

²¹Wine Industry Advisor, “Mendocino 2023 Harvest Tops the Books” (Feb. 15, 2024) (2023-harvest winegrape crop revenue of approximately \$130 million for Mendocino County, per industry crush-report data), <https://wineindustryadvisor.com/2024/02/15/mendocino-2023-harvest-tops-the-books>.

²²Economic Forensics and Analytics, Inc., The Economic Impacts of Water and Agricultural Industries: Inland Mendocino County (2015), <http://pottervalleyproject.org/wp-content/uploads/2018/05/Water-Storage-Impacts-Final-121815.pdf>.

loss of Lake Pillsbury would reduce county tax revenues by more than \$1 million per year.²³ And the water that remains will cost far more: the transition planning projects delivered-water costs rising from as little as \$18 per acre-foot to roughly \$300 — one county supervisor put the figure at \$312 — while the Potter Valley Irrigation District has already raised its rates to fund the transition.²⁴

The affected communities are economically depressed — a fact PG&E’s “environmental justice” exercise obscured (SD1 § 4.2.12). PG&E’s application filters the human consequences of decommissioning through an “environmental justice” screening — an ideological framework that has no proper place in the Commission’s public-interest determination, and whose inclusion here served only to obscure the facts. Having imported the label, PG&E then deployed it to dismissive effect: it benchmarked a single census block group against the average of Lake County — itself one of the poorest counties in California — declared the area not an “environmental justice community,” and moved on.²⁵ The Commission does not need fashionable terminology to understand what is at stake, and it should not allow a box-checking exercise built on that terminology to substitute for analysis. The plain economic facts are these: Lake County’s median household income is \$60,621 — about 61 percent of the statewide figure of \$99,122 — and its poverty rate is 19.7 percent, versus 11.8 percent statewide.²⁶ These are communities that can least afford the loss of their reservoir, their property values, their local tax base, and their water. The environmental document should set aside the “environmental justice” labeling and analyze, in plain terms, the effects of decommissioning on the actual economic condition of the people who live there — measured against statewide benchmarks, not against the depressed local average.

Wildfire suppression (SD1 § 4.2.10). PG&E’s own application concedes that the proposed action “may result in unavoidable adverse effects to local fire suppression to properties near Lake Pillsbury . . . resulting in potentially longer fire response times.”²⁷ Lake Pillsbury is the closest reliable water source for aerial firefighting across a large portion of this fire-prone region; both the U.S. Forest Service and the Lake Pillsbury Fire Protection District have stressed its importance for surface-water access, warning of potentially life-threatening consequences.²⁸ No party has quantified the suppression capability that would be lost. The environmental document should require PG&E to do so rather than permit that effect to be waved off as “unavoidable.”

²³County of Lake, “Lake Pillsbury,” supra note 5 (projected loss to county revenues exceeding \$1 million annually).

²⁴MendoFever, supra note 14 (delivered-water cost projections and NERF construction window); Potter Valley Irrigation District, supra note 12 (rate increase to fund the transition).

²⁵County of Lake / SLR International, supra note 8 (PG&E’s environmental-justice screening methodology).

²⁶U.S. Census Bureau, QuickFacts: Lake County, California, and California (V2025; ACS 2020–2024), <https://www.census.gov/quickfacts/lakecountycalifornia>.

²⁷County of Lake / SLR International, supra note 8 (quoting PG&E’s surrender application).

²⁸County of Lake, “Understanding the Facts About Lake Pillsbury” (Aug. 2025), <https://www.countyoflakenews.com/article/understanding-the-facts-about-lake-pillsbury>.

Recreation (SD1 §§ 4.2.9). Lake Pillsbury is the largest lake in the Mendocino National Forest — 2,280 acres and 31 miles of shoreline — anchoring campgrounds, a resort and marina, and an extensive motorized-recreation network.²⁹ Decommissioning would permanently eliminate recreation facilities, some of which have been used for more than 100 years. These losses should be quantified.

III. The application defers the central water-security question rather than resolving it.

The structure of the application asks the Commission to authorize removal now while assigning the water-supply solution to a separate authority and a facility that is smaller, seasonal, largely unfunded, and years from construction — with diversions that may be scaled back further still. That deferral is precisely why the eliminated alternatives are reasonable and must be analyzed, and why the record does not yet support a finding that surrender on the proposed conditions is consistent with the public interest. The December 19, 2025 comment of the America First Policy Institute, already of record in this docket, develops these deficiencies further.³⁰

IV. Requested scope of analysis.

For these reasons, I respectfully request that the environmental document:

1. retain and fully analyze the no-action alternative as the NEPA baseline;
2. analyze retention and modernization of Scott Dam as a reasonable alternative, and require PG&E to produce the 2023 DSOD inspection report, seismic-retrofit engineering, and a retrofit-versus-removal cost-benefit analysis;
3. analyze phased removal as a sediment-mitigation alternative;
4. quantify downstream water-supply effects on named municipal and agricultural users under the NERF’s reduced, seasonal diversion, including the removal-to-NERF timing gap and effects on local groundwater wells;
5. quantify sediment effects on downstream drinking-water intakes and require characterization of reservoir sediments before any removal is authorized;
6. discard the “environmental justice” framework PG&E imported into its application and instead analyze the effects of decommissioning on the actual economic condition of the affected communities, measured against statewide benchmarks;
7. quantify the wildfire-suppression capability and recreation use that would be lost; and

²⁹U.S. Forest Service, Mendocino National Forest — Lake Pillsbury, <https://www.fs.usda.gov/r05/mendocino/recreation/lake-pillsbury-0>; California Four Wheel Drive Association, Comment to FERC (Dec. 19, 2025).

³⁰America First Policy Institute, Comment Opposing Surrender and Decommission of the Potter Valley Hydroelectric Project (Dec. 19, 2025), filed in Docket No. P-77-332.

8. weigh the permanent loss of renewable generation, and local government fiscal harm, in the public-interest determination.

Conclusion.

SD1 proposes to study a single path — removal — while eliminating every alternative that would preserve infrastructure on which farms, cities, firefighters, and an economically depressed region depend, and while deferring the water-security question to a facility that does not exist. AFPI respectfully urges the Commission to restore the eliminated alternatives to detailed study, to quantify the human-environment effects identified above, and to deny any surrender or non-project-use authorization the record cannot support.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "T.J. Wilson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

T.J. Wilson
Deputy Director of Rural Policy
America First Policy Institute
1455 Pennsylvania Ave. NW
Suite 200
Washington, D.C. 20004
(703) 637-3690
tjwilson@americafirstpolicy.com