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P-77

February 16, 2022

Richard Glick, Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RECEIVED

By The Federal Energy Regulatory Commission Office of External Affairs at 10:02 am, Feb 18, 2022

Dear Chair Glick:

I am writing concerning Pacific Gas and Electric Co.'s (PG&E) Potter Valley hydropower project under Federal Energy Regulatory Commission jurisdiction in my congressional district. This project now appears headed for decommissioning and I believe it is in the interest of my constituents and the broader public interest to ensure that this process proceeds expeditiously.

The 115-year-old Potter Valley Project (PVP) has produced a small amount of power each year over its lifetime, but its more significant function has been to divert water from the Eel River, which once produced prolific salmon runs, to the East Branch Russian River for irrigation and municipal consumption. Cape Horn Dam constructed in 1907 and later modified with an underperforming fish ladder, and Scott Dam – built in 1930 – cut off more than 200 miles of habitat for protected salmon and steelhead on the Eel. Meanwhile, over the course of the past century communities in the Russian River basin from Potter Valley to northern Sonoma County came to depend on the water PG&E diverted through the PVP.

Anticipating that PG&E would undertake a complex and uncertain FERC relicensing process, in 2017 I convened an ad hoc committee of diverse stakeholders in both basins to explore consensus on how the project should be relicensed. But in 2019, PG&E withdrew its notice of intent to relicense, and FERC ordered the project to be orphaned. From the engagement and collaboration fostered through my ad hoc committee, a group of five entities, including conservationists, a tribe, water users, and counties came together to submit a notice of intent for a new project license. This "Two Basin Partnership" worked to find funding for some \$20 million in studies needed to apply for a new license before the current license expires in April 2022. The centerpiece of partnership's plan was a win-win solution for the Eel and Russian River basins: removal of Scott Dam and restoration of fish passage on the Eel River; and continuation of a run-of-the-river diversion to meet water supply needs for Russian River stakeholders.

Many of us assumed PG&E would support and financially partner with the Two Basin Partnership's license application because it would spare PG&E from a very costly and uncertain decommissioning process. That assumption proved wrong. Last year, after the partnership had tried unsuccessfully to secure state and federal funding for the studies, I joined the partners in appealing to PG&E for help. When PG&E stated that they would not provide any funding to support the studies, it became apparent that the partnership lacked the resources to proceed. Accordingly, in its January 31, 2022, status update to FERC, the Two Basin Partnership acknowledged that it "will not file a final license application for the project."

As I understand it, this means the project will now be slated for decommissioning and surrender by FERC. As you know, unlike the rigid timelines laid out for relicensing, a decommissioning project can

stretch on for many years -- unless FERC requires otherwise. In this case, there are several compelling reasons why FERC should require PVP decommissioning to follow a clear and expeditious timeline.

First, the project is in disrepair as evidenced by the recent failure of a transformer that has pushed the project offline. In its February 7 filing to FERC, PG&E stated that it will not even submit a plan to repair the transformer until December 2022, which means the project will remain offline for two years or more. Second, with expiration of the PVP FERC license in April of 2022, coverage against liability under the Endangered Species Act will also lapse. This raises a cloud of uncertainty over the environmental permits and conditions under which the project would operate going forward. Environmental and fishery advocates point to the rapidly changing climate, the inadequacy of existing protective measures, and ongoing harm to tribes and downstream communities along the Eel River as urgent reasons for state and federal regulators to require new guidelines that are more protective of listed and threatened species. Finally, PG&E's transformer failure has already constrained water diversions through the PVP, reducing Lake Mendocino storage levels as water managers brace for another year of drought and water shortages in the Russian River basin. The prospect of many years of uncertainty regarding the infrastructure, permits and water rights that enable these diversions makes it very difficult for communities that depend on Russian River water to make critical decisions and investments to ensure the resiliency of their water supply.

Simply put, the interests of my constituents in both basins, and the broader public interest, clearly requires FERC to move the PVP decommissioning process forward as quickly as possible. We need certainty and resolution, not a decade or more of conflict and confusion regarding the status and disposition of this project. The PVP has outlived its usefulness as a hydropower project, but it presents a compelling opportunity for environmental justice and restoration which can and should proceed as part of a win-win outcome that brings certainty and reliability for Russian River water users.

I continue to support both essential pillars of the Two Basin Solution and believe stakeholders will ultimately embrace this as the framework for a comprehensive settlement that will include investments in restoration and water infrastructure beyond FERC's jurisdiction. In order for that to happen, we must move beyond a status quo that isn't working well for anyone. For the reasons stated above, FERC should move PVP decommissioning forward without delay, subject to schedules and deadlines that reflect the urgency this matter requires.

Thank you for your consideration. I am always happy to meet with the commission or its staff if you have questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jared Huffman", with a stylized, flowing script.

JARED HUFFMAN
Member of Congress