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Local Coalition Advances Two-Basin Solution for Russian and Eel River Basins

Groups Propose Removing Scott Dam, Upgrading Water Diversion Structures, and Updating Water Supply Infrastructure for Potter Valley Irrigators

Santa Rosa, Calif. – Today, five diverse entities jointly proposed an ambitious plan to advance restoration of Eel River fisheries while maintaining water security for Russian River basin water users. The Feasibility Study Report (Report) Project Plan was filed with the Federal Energy Regulatory Commission (FERC) as the next step in the effort toward securing a new license for the Potter Valley Project, which is currently owned by PG&E.

The Potter Valley Project (PVP) is a hydroelectric facility that, in addition to generating a small amount of electricity, diverts water from the Eel River into the Russian River basin. The PVP's main facilities include two dams on the Eel River, a diversion tunnel and a hydroelectric plant.

Citing economic concerns, current PVP owner PG&E announced in January 2019 that it would not seek a new license from FERC to continue operating the facilities.

PG&E's decision to not re-license the PVP left an uncertain future for both Eel and Russian River interests. Instead of leaving it up to the utility and federal regulators to determine the region's water future, local leaders decided to work together to protect the interests of both river basins.

California Trout, the Round Valley Indian Tribes, the County of Humboldt, Mendocino County Inland Water and Power Commission and Sonoma Water formed the Two-Basin Partnership last fall. The Partnership developed the [Feasibility Study Report](#) filed with FERC today. The group is also exploring options for developing a governance structure for future ownership and operations of the facilities.

The Partnership is an outgrowth of an ad hoc committee convened by Congressman Jared Huffman. That group identified co-equal goals for a two-basin solution. These include minimizing or avoiding adverse impacts to water supply reliability, fisheries restoration, water quality improvements and recreation enhancements in the Russian and Eel River basins. One specific priority is improving fish passage and habitat on the Eel River with the goal of recovering native migratory fish like salmon and steelhead, including full access to habitat upstream of Scott Dam.

“I’m pleased to see this diverse coalition moving forward toward a two-basin solution. The filing of this feasibility study with its well-defined project description is a significant step toward a win-win outcome for the North Coast and North Bay: robust restoration of Eel River fisheries, and long-term certainty and reliability for Russian River water users,” said Rep. Huffman. “We still have a long way to go including an extensive study plan, determining an appropriate financial contribution from PG&E, and securing state and federal financial support to reflect the broad public benefits of this plan. But today’s filing is an important milestone and I remain committed to supporting and securing the resources necessary to move the two-basin solution forward.”

The Report submitted to FERC identifies key elements that must be in place to realize the vision for a two-basin solution. These include:

- A new regional entity with authority to own and operate the Project, governed by a diverse group of regional stakeholders.
- Removal of Scott Dam, which completely blocks fish passage to the headwaters of the Eel River, and modifications to Cape Horn Dam and the associated water diversion to improve upstream and downstream fish passage.
- Modification of PVP facilities to ensure continued power generation and water supply reliability in the Russian River.
- A fisheries restoration plan that considers watershed-wide efforts in the Eel River to improve conditions for threatened and endangered native fish.
- Construction of new infrastructure to provide water supply reliability for farmers and ranchers in Potter Valley.

Although the proposed project plan submitted to FERC is a significant step in the effort to realize a two-basin solution, the process for securing a new license for the PVP is still in the early

stages. The Report's Project Plan must be studied further, including analyzing the effects of removing Scott Dam on the communities around Lake Pillsbury, tribal interests, recreation and other activities on the Eel River.

Additional studies will be required to identify the best way to manage the sediment behind Scott Dam, how to improve upstream and downstream fish passage at Cape Horn Dam and what the ultimate cost of capital modifications of the PVP will be. These and other pressing issues will be addressed through the relicensing studies undertaken as part of the next phase of the FERC process.

To date, only very preliminary studies have been completed to inform cost estimates for this effort. Based on these initial studies, direct capital costs in 2020 dollars for the proposed licensed Project facilities will range from \$100 to \$400 million. Developing new infrastructure to improve water supply reliability for the Potter Valley Irrigation District is estimated to cost between \$30 to \$120 million. The studies proposed for the next phase of the effort will further define and inform cost estimates. Annual operating costs are projected to be in the \$5 million to \$10 million range.

Because transferring the PVP to a new regional entity would relieve PG&E of substantial financial obligations for decommissioning, the Partnership anticipates working with PG&E to secure funds to pay for some of the proposed capital upgrades as part of the transfer of ownership and liabilities.

The public will now have opportunities to comment and provide input through both the FERC proceedings and at local public meetings hosted by the member organizations of the Two-Basin Partnership. If accepted by FERC, the Report will lead to a new licensing process that will take several years to complete.

Quotes from the leaders of the Two-Basin Partnership

President James Russ of the Round Valley Indian Tribes said, "The Tribes believe that this Feasibility Study Report puts us one step closer to achieving the Tribes' goal of restoring the Eel River fishery to a sustainable and healthy condition. We still have a long road ahead of us. And the challenges facing the Partnership are real. But there is good will among all parties to work together to see if we can keep moving forward to solve this problem. The Tribes are making a good faith effort to work with all parties to keep moving forward in a positive manner."

Curtis Knight, Executive Director of California Trout, said, "It's encouraging to see the diverse stakeholders in this partnership coming together to support the removal of Scott Dam, which will allow Eel River salmon and steelhead to once again access critical headwaters habitat. Today's submittal to FERC makes it clear that we can find a way forward that improves water security for Russian River water users while significantly improving conditions for native fish."

Sonoma County Supervisor and Sonoma Water Director James Gore said, "The Feasibility Study Report represents the culmination of collaboration, bold leadership and resilience for our region. Sonoma Water shares the vision outlined in the study report and looks forward to working with the Two Basin Partnership and our community during the Federal Energy Regulatory Commission process."

Janet K.F. Pauli, Ph.D., Chair of the Mendocino County Inland Water and Power Commission said, "The Mendocino County Inland Water and Power Commission believes that filing this Feasibility Study Report with FERC is a significant step forward towards the goal of assuring water supply reliability for our region. What is truly important is that we will have the opportunity to control our future. While we have a very long road ahead of us we are looking forward to continuing to work with our Planning Partners, and other stakeholders, in the ongoing Potter Valley Project licensing process to ensure that the shared goals of water supply reliability and improvement of the riverine ecosystems of both the Eel and Russian Rivers are realized."

Humboldt County Supervisor Estelle Fennell said, "Scientific studies indicate that removal of Scott Dam is urgently needed to improve Eel River fisheries. I really appreciate the team approach our regional partners have taken and look forward to working with them, PG&E, the State of California and Congressman Huffman on a detailed path forward to make this locally driven solution a reality."

To learn more, go to www.twobasinsolution.org.

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