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CLIMATE CRISIS

October 26, 2021

Devon Boer (Jones)  
Executive Director  
Mendocino County Farm Bureau  
303-C Talmage Road  
Ukiah, CA 95482

Dear Ms. Boer:

I am writing in response to a petition the Mendocino County Farm Bureau is circulating that poses questions about my involvement in the proceedings before the Federal Energy Regulatory Commission (FERC) regarding the Potter Valley Project (PVP).

We've known each other for many years, and you know I have always been accessible and willing to constructively engage with you and your colleagues. That's why I was surprised that instead of simply reaching out for a meeting, the Mendocino Farm County Bureau launched this "petition" campaign. The implication that I am somehow refusing to answer your questions is untrue, but rather than let this spin further into the realm of misinformation and unpleasantness, I'm writing to proactively answer your questions – which I was happy to do all along.

As you know, I convened the Potter Valley Project Ad Hoc Committee in 2017 when the owner of the Potter Valley Project, Pacific Gas and Electric Co., began to seek a new FERC license for the project. I had a sense back then – which in the ensuing years was proven correct – that PG&E might be getting ready to abandon the project. Knowing this would create great uncertainty regarding the management of both the Russian and Eel rivers, I thought it was important to bring together a broad range of stakeholders from both the Russian River and Eel River basins, including water users, tribes, county officials, state and federal agencies, to engage on the future of the PVP and attempt to find consensus. From the early meetings of the Ad Hoc group the concept of a "Two Basin Solution" emerged based on the co-equal goals of restoring fisheries and fish passage on the Eel River; and protecting water supplies in the Russian River basin by preserving the diversion of water from the Eel River into the Russian River. This Two Basin Solution framework, broadly supported by the Ad Hoc stakeholders, has been the touchstone of the group's work ever since.

When PG&E officially decided to abandon its relicensing application in 2019, a subset of the Ad Hoc group members – the Two Basin Partnership – entered into an MOU and began formally working together in an effort to take over the PVP's FERC license and operate the project pursuant to the Two Basin Solution framework. Their plan called for achieving the restoration

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goal by removing Scott Dam and making other modifications necessary to achieve volitional fish passage on the Eel River, while meeting the water supply goal by maintaining water diversions through the PVP into the Russian River. Unfortunately, the partnership's efforts to secure funding for the extensive study plan required by FERC was unsuccessful, and their recent request for an extension of time to complete the study plan was denied by FERC.

With that background and context, here are the answers to the questions posed in your "petition":

1. Explain why federal or state support has not been pursued by our elected officials to assist with the current licensing process and why decommissioning, as a cheaper and easier option as he indicated, will provide a preferred outcome.

This question begins with the incorrect premise that your state and federal representatives have not been working to secure the \$18 million in funding needed by the Partnership to complete the FERC study plan. In fact, I worked on this extensively. I personally convened a meeting between the Partnership and the new CEO of PG&E to ask for financial support. Our request was flatly rejected by PG&E. I authored successful federal legislation to create a new aquatic ecosystem restoration funding program within the Bureau of Reclamation. Although I wrote this law with the Two Basin Partnership in mind, we are unable to secure funding from this new federal program in time to meet the study plan deadline. Finally, Senator Mike McGuire, Assemblymember Jim Wood and I worked together in an attempt to secure study plan funding in the California State Budget. Unfortunately, our request was unsuccessful. All of us are disappointed that we could not secure the \$18 million, but there is no question that it was "pursued" aggressively and in good faith. If you know of other avenues for securing this funding within the necessary timeframe, please let me know immediately and we will pursue that too.

The second part of your question seems to imply that I have chosen decommissioning as the preferred course. This, too, is incorrect. Putting aside the fact that this is not my choice to make, my efforts for the past two years have focused entirely on supporting the Partnership in its FERC application, including supporting their recent request for an extension to allow more time to complete the study plan. But we must also be honest about where the process now stands. With FERC denying the extension and with no near-term prospects for funding the \$18 million study plan, the prospects for securing a FERC license are not good.

The Partnership must submit a progress report to FERC within the next month outlining its efforts and explaining how it would be capable of submitting a final license application by April 22. Unless \$18 million suddenly materializes, it is unlikely that the Partnership's report will satisfy FERC, which means FERC would terminate the license application process and the PVP will default to surrender and decommissioning.

Decommissioning is a fallback, not the preferred course, but it is also not the end of the world. That was my point in the media statements you referenced. Mendocino Farm Bureau and everyone else who cares about securing long-term PVP diversions for the Russian River Basin should take heart in knowing that the Two Basin Solution – which has always been the best path for securing long-term water supply certainty – can still proceed. The same infrastructure

modifications, transfers of water rights, restoration work, and water supply enhancements that were central to the FERC application can still happen without a hydropower license.

My other point in the media was, perhaps unintuitively, there could be some advantages to this route. Decommissioning can be faster than a FERC licensing process. PG&E, rather than the Partnership, would have to pay for the necessary studies and infrastructure changes, including removing Scott Dam. And while many stakeholders don't realize it, the truth is PG&E loses approximately \$9 million each year on PVP as a hydropower project. Putting all of this together, while decommissioning may not be ideal, it could end up achieving the Two Basin Solution faster and cheaper than the FERC licensing route.

2. Discuss how he intends to work with the Federal Energy Regulatory Commission if a license surrender and decommissioning process begins to ensure that there will be continued water diversion capabilities through the Project to support the needs of the communities above and below Lake Mendocino.

I have clearly, publicly, and repeatedly stated my commitment to both goals of the Two Basin Solution, and that will not change. Even though decommissioning is likely faster than a licensing process, it will still take several years. During this process, I expect FERC will grant temporary annual license extensions to PG&E to maintain project operations until decommissioning is complete. I will support that. In the longer term, I will engage with FERC, the Ad Hoc stakeholder group and others in an effort to secure a final decommissioning settlement that achieves the Two Basin Solution. That includes not only Scott Dam removal and fisheries improvements on the Eel River, but also any infrastructure improvements, water rights transfers or other steps necessary to maintain diversions into the Russian River and ensure water supply reliability in that basin.

In the meantime, I will continue working on my longstanding initiatives to permanently implement Forecast Informed Reservoir Operations (FIRO) at Lake Mendocino, and to complete the feasibility study on raising Coyote Valley Dam. These efforts are complementary to the Two Basin Solution because they can help ensure long-term water supply reliability in the Russian River basin.

3. Outline what he envisions as a decommissioning process for the Project including timelines and how he plans to represent the needs of your Russian River constituents.

I believe my previous answer also responds to this question. I do not know what the exact timeline will be, but I will be working with a sense of urgency given the importance of this matter to the communities and environmental resources in my district. Achieving the certainty, reliability, and multiple benefits of the Two Basin Solution is especially important given the prospect of more frequent and severe droughts in our region due to climate change.

4. Engage with Congressman Garamendi and Congressman Thompson as their constituents will also be impacted by the potential removal of Project infrastructure.

I have done this and will continue to do so. Congressman Thompson represents areas of Sonoma County that understand the importance of water supply reliability and stand to benefit greatly from the Two Basin Solution. Congressman Garamendi is also a valued colleague who represents the portion of Lake County that includes United States Forest Service Lands surrounding Lake Pillsbury. This area will be affected by PG&E's removal of Scott Dam and by the restoration of a free-flowing river with salmon and steelhead fisheries. While I believe this can bring environmental and economic benefits to Lake County, I realize most Lake Pillsbury stakeholders disagree and are very concerned about the loss of that reservoir.

As I continue to engage constructively with Congressman Garamendi and his Lake County constituents, I will try to respectfully remind them that Scott Dam is virtually certain to be removed. That is not because I am somehow making that happen, but because PG&E made a business decision two years ago to abandon a costly, antiquated, privately-owned facility; and because the window for finding a new owner who wanted to maintain and operate the dam has long since closed. But I will also be mindful of how Lake Pillsbury stakeholders will be impacted by this outcome, and of the broader hardships that Lake County has suffered in recent years due to catastrophic fires and economic dislocation. While we may not agree on the best outcome for the PVP, I will sincerely look for ways to ensure that our friends and neighbors in Lake County realize significant benefits from the Two Basin Solution, which I believe is not only possible but essential.

5. Host a series of public meetings in the Russian River, between now and April 2022, to review these points and provide updates as available. The conversation should not be limited to the current invitation only two basin solution group.

I hold public meetings, including town halls in Mendocino County, regularly and look forward to more of them as COVID conditions improve and large gatherings are once again safe. In the meantime, I will continue to be accessible for conversations with constituents through regular online town halls and other events, and I will do my best to keep everyone informed of any developments regarding the PVP. If you or other Mendocino Farm Bureau leaders ever want to discuss PVP issues in greater detail, I'm happy to do that too. All you need to do is call my office and set up a meeting, as we have done many times over the years.

I believe this letter answers all of your questions, but if you have other questions or concerns regarding this important subject, or anything else, please don't hesitate to contact me.

Sincerely,



**JARED HUFFMAN**  
Member of Congress