



**Pacific Gas and  
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July 8, 2022

**Via Electronic Submittal (E-File)**

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E. Room 1A  
Washington, DC 20426

**RE: Potter Valley Hydroelectric Project, FERC No. 77-164-CA  
Response to Request for Plan and Schedule for the Surrender Application**

Dear Secretary Bose:

On May 11, 2022, the Federal Energy Regulatory Commission (FERC or Commission) requested Pacific Gas and Electric Company (Licensee or PG&E) submit a plan and schedule for the Surrender Application of PG&E's Potter Valley Hydroelectric Project, FERC No. 77, (Project). In addition, the letter requested PG&E respond to National Marine Fisheries Service's March 17, 2022, filing.

PG&E's plan and schedule is included as Attachment 1. PG&E's response to the NMFS' letter will be provided under separate cover.

PG&E is also requesting FERC designate PG&E as FERC's non-federal representative for the purposes of consultation under Section 106 of the National Historic Preservation Act, as amended, and the implementing regulations at 36 CFR Section 800.2(c)(4) as well as FERC's non-federal representative for purposes of consultation under Section 7 of the Endangered Species Act, as amended, and the joint agency regulations thereunder at 50 CFR Part 402, Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act and the implementing regulations at 50 CFR Section 600.920.

If you have any questions on this please contact Tony Gigliotti, the assigned Project Manager, at (925) 357-7120.

Sincerely,

Janet Walther  
Senior Manager, Hydro Licensing

FERC Service List

List of Attachments

Attachment 1—Item 1: Plan and Schedule for Submitting Surrender Application



*Pacific Gas and  
Electric Company™*

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**POTTER VALLEY PROJECT  
FERC NO. 77**

**ATTACHMENT 1  
Potter Valley Project (FERC No. 77) Plan and Schedule for Surrender Application**



### **Project Description**

The 9.4-megawatt Project is located on the Eel River and the East Branch Russian River in Mendocino and Lake Counties, California, about 15 miles northeast of the city of Ukiah. Project features include Lake Pillsbury, a 2,300-acre storage reservoir impounded by Scott Dam; 106-acre Van Arsdale Reservoir, impounded by the Cape Horn Diversion Dam; and a tunnel and penstock across a natural divide to the project's powerhouse located in the headwaters of the Russian River Basin.

### **Procedural Background**

The Project license expired on April 14, 2022, with PG&E operating on an annual license since that time. On April 6, 2017, PG&E filed a Notice of Intent (NOI) to file an application for a new license and a pre-application document (PAD). On January 25, 2019, PG&E filed a Notice of Withdrawal of Notice of Intent to File License Application and Pre-Application Document, indicating it was discontinuing its efforts to relicense the project. On March 1, 2019, the Commission issued a Notice Soliciting Applications, establishing a deadline of 120 days from the date of the notice (i.e., July 1, 2019) for interested applicants, other than PG&E, to file NOIs, PADs, and requests to complete the pre-filing stages of the licensing process.

As a result of the Commission's Solicitation, on June 18, 2019, the NOI Parties<sup>1</sup> submitted an NOI to the Commission, utilizing the Commission's ILP process. According to the pre-filing process plan and schedule submitted to the Commission, the NOI Parties intended to complete a feasibility study in April 2020, consult on the need for additional studies, and file a final license application by April 14, 2022.

Over the course of the NOI Parties' efforts to complete the Project relicensing process, PG&E participated as the Project owner and operator, provided the NOI Parties with all relicensing information developed by PG&E prior to withdrawing its NOI and PAD, and collaborated with the NOI Parties to provide information regarding the condition and operation of Project works.

On September 2, 2021, the NOI Parties filed a request that the Commission place in abeyance the Revised Process Plan and Schedule for the project ILP until May 31, 2022, to "...allow ... time to evaluate: (1) funding, (2) how the Project would best contribute to a comprehensive strategy to manage the emerging crises in fisheries and water resources management in the Eel and Russian River Basins, and (3) the feasibility of continued diversion in a license-surrender scenario. By letter dated September 23, 2021, the Commission granted an abeyance to the Revised Process Plan and Schedule, but only until April 14, 2022, at which time the final license application must be filed. The Commission also requested the NOI Parties (1) file a status report within 60 days of receipt of the letter, and (2) file an additional progress report by January 31, 2022, if the NOI Parties had not established a Regional Entity by the due date for the first 60-day status report.

The NOI Parties submitted their first status report to the Commission on November 22, 2021, indicating it was highly improbable that they would submit a license application by April 14, 2022. On January 31, 2022, the NOI Parties submitted a letter to the Commission indicating they had not established a Regional Entity or accomplished the other tasks required to complete a final license application and, as a result, would not file a final license application for the Project as required.

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<sup>1</sup> The NOI Parties were acknowledged proxies for a new Regional Entity that ultimately would be the license applicant for the project.

On April 15, 2022, PVP 77 LLC (PVP) filed an application for a license to operate and maintain the Project. On April 22, 2022, the Commission rejected PVP’s application on the basis that it “patently fails to conform to the requirements of the Commission’s regulations”. On April 22, 2022, PVP submitted a Request for Rehearing in accordance with 18 C.F.R. § 385.713. On May 26, 2022, FERC issued a Notice of Denial of Rehearing by Operations of Law and Providing for Further Consideration. On July 6, 2022, FERC issued a letter modifying the April 22, 2022 letter and denied the rehearing.

On May 11, 2022, the Commission directed PG&E to provide a plan and schedule for submitting a surrender application and a response to National Marine Fisheries Service’s March 17, 2022, filing within 60 days (by July 11, 2022).

**Proposed Plan and Schedule for Preparation and Filing of the Surrender Application**

30 months after approval from FERC of the Plan and Schedule (Figure 1) PG&E will file with FERC the Potter Valley Project surrender application and decommissioning plan.

**Figure 1**

<b>Activity</b>	<b>Period Following FERC's Approval of PG&amp;E Plan and Schedule (in Months)</b>
Secure consultant support for the development of the surrender application and decommissioning plan	1-6
Conduct initial outreach to agencies and other stakeholders to solicit relevant information for the preparation of the surrender application and decommissioning plan	3-8
Prepare initial draft surrender application including decommissioning plan	6-16
Obtain input from agencies and other stakeholders regarding PG&E's initial draft surrender application and decommissioning plan	16-19
Address comments from agencies and other stakeholders and prepare final draft surrender application and decommissioning plan	19-22
Provide final draft surrender application and decommissioning plan to agencies and stakeholders for a 30-day review and comment period	22-23
Address comments from agencies and other stakeholders on final draft surrender application and decommissioning plan	24-28
Prepare and file final surrender application and decommissioning plan	28-30
<b>TOTAL MONTHS AFTER APPROVAL</b>	<b>30</b>