



June 6, 2024

Via Electronic Submittal (E-File)

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

**Re: POTTER VALLEY HYDROELECTRIC PROJECT, FERC NO. 77
SURRENDER APPLICATION AND DECOMMISSIONING PLAN
Status Update and Revised Process Plan and Schedule**

Dear Secretary Reese:

This letter presents Pacific Gas & Electric Company's (PG&E) update on the status of efforts to submit a Final Surrender Application and Decommissioning Plan for PG&E's Potter Valley Hydroelectric Project (Potter Valley), Federal Energy Regulatory Commission (FERC) No.77, and a revised process plan and schedule.

By letter dated May 11, 2022, FERC staff informed PG&E that because no third party had filed an adequate relicensing application for Potter Valley by the April 22, 2022, deadline for such applications, PG&E must file a plan and schedule for filing a license surrender application with FERC.¹ As directed, PG&E, on July 8, 2022, filed a plan and schedule for PG&E's preparation and filing of a surrender application with FERC.² PG&E's schedule outlined a 30-month period for it to secure consultant support, conduct outreach to agencies and other interested parties, prepare initial and final draft surrender applications (including a decommissioning plan for Potter Valley), obtain comments from agencies and other interested parties on these drafts, and prepare and file a final license surrender application with FERC.

By letter dated July 29, 2022, FERC accepted PG&E's proposed process plan and schedule.³ Noting that PG&E's "proposed schedule allows for several iterations of consultation with the resource agencies,

¹ Letter from Shana Wiseman, FERC, to Jan Nimick, PG&E, at 2, Project No. 77-000, Accession No. [20220511-3004](#) (issued May 11, 2022).

² Letter from Janet Walther, PG&E, to Kimberly D. Bose, FERC, Project No. 77-164, Accession No. [20220708-5267](#) (filed July 8, 2022).

³ Letter from Shana Wiseman, FERC, to Jan Nimick, PG&E, *et al.*, at 2, Project No. 77-000, Accession No. [20220729-5323](#) (issued July 29, 2022) ("We find this schedule acceptable.").

Tribes, and various stakeholders,” FERC requested that “[i]f adjustments to this schedule are necessary, the licensee should notify Commission staff as soon as possible.”⁴

PG&E is firmly committed to submitting a license surrender application with FERC at the earliest practicable date. For the last couple of years, since FERC accepted the license surrender process plan and schedule, PG&E has worked with agencies, Tribes, and other interested parties to develop and implement an integrated and coordinated solution to meet divergent interests present at Potter Valley. As part of this outreach, PG&E solicited proposals for interest in any of Potter Valley’s facilities. In late 2023, PG&E received a proposal from a coalition referred to as the “Proponents” (consisting of Sonoma County Water Agency, Mendocino County Inland Water and Power Commission, Humboldt County, Round Valley Indian Tribes, California Trout, Trout Unlimited, and California Department of Fish and Wildlife) for the construction and operation of a New Eel-Russian Facility (NERF) using some of Potter Valley’s facilities, which would integrate into PG&E’s decommissioning plan to preserve some of the long-standing diversions from the Eel River to the Russian River, while concurrently improving habitat and flow conditions for migrating salmonids in the Eel River.

PG&E’s primary goal is the decommissioning of Potter Valley and remains focused on the timely removal of both Scott Dam and Cape Horn Dam. The Proponents are committed to the coequal goals of (1) improving fish migration and habitat on the Eel River with the objective of achieving naturally reproducing, self-sustaining, and harvestable native anadromous fish populations and (2) maintaining material and continued water diversion from the Eel River through the existing tunnel to the Russian River to support water supply reliability, fisheries, and water quality in the Russian River basin. To this end, PG&E, the Proponents, and others have formed a steering committee to bring these interests into one agreement that aligns with PG&E’s surrender application and accompanying Potter Valley decommissioning plan.

PG&E anticipates an additional 6 months (beyond the original 30-month period in the existing process plan and schedule) is needed to develop the final Surrender Application and Decommissioning Plan. Due to the progressive work with the steering committee, we do not consider this postponement in filing the Surrender Application and Decommissioning Plan to delay the eventual removal of the Potter Valley project. Both PG&E and the Proponents agree that the construction of the NERF will not interfere with or delay such deconstruction in any way. The commitment amongst the steering committee to develop common interest agreements, will create alignment amongst regulatory and interested parties regarding the proposed action and resource protection measures, allowing for an efficient regulatory process in obtaining affiliated permits and regulatory authorizations required for the decommissioning of Potter Valley.

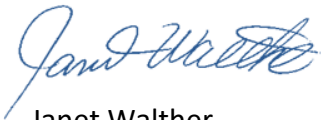
For these reasons, and in accordance with FERC’s July 29, 2022, PG&E believes that an extension of the process plan and schedule to allow parties to come together on these important matters is necessary. The adjusted process plan and schedule is as follows:

⁴ *Id.*

Activity	Revised Schedule
Provide final draft surrender application and decommissioning plan to agencies and stakeholders for a 30-day review and comment period	January 25, 2025
Address comments from agencies and other stakeholders on final draft surrender application and decommissioning plan	March 2025 – May 2025
Prepare and file final surrender application and decommissioning plan	July 29, 2025

Should you have any questions concerning this matter, please contact PG&E’s license project manager, Tony Gigliotti, at (925) 357-7120.

Sincerely,



Janet Walther
Senior Manager, Hydro Licensing