



Meeting Summary

Huffman Potter Valley Project Ad Hoc Committee

Meeting held April 17, 2019

Summary prepared by the Consensus Building Institute

Key Outcomes

The Federal Energy Regulatory Commission (FERC) answered questions about the relicensing process and statutory requirements. Major deadlines include:

- June 28, 2019 - Notice of Intent (NOI) and Pre-Application Document (PAD) are due; applicants propose pre-filing process
- April 14, 2020 - Relicensing application due
- April 14, 2022 - Original PG&E PVP license expires

The Fish Passage and Water Supply working groups are close to finalizing their evaluations of passage and supply options, respectively. Participants still hold concerns about the water supply reliability under certain options, including the run-of-the-river scenario.

Ad Hoc Committee members shared thoughts on submitting a collaborative NOI, which could appear more competitive to external or independent NOIs by demonstrating wide stakeholder support. The Ad Hoc agreed to hold a meeting in early May to consider next steps for potentially submitting a collaborative NOI. Participants may still reserve the option to submit an independent NOI.

The Ad Hoc also identified follow-up questions for FERC staff that will inform the collaborative NOI:

- Could the applicant reference the existing PG&E PAD, noting any additional studies or changes for the proposed application?
- Does FERC require a singular entity to be the signatory, or can a yet-to-be-formed JPA be the signatory?

Congressman Huffman’s office will continue to work with Ad Hoc Committee members and other interested parties to coordinate the funding and resources for continuing the Ad Hoc Committee process.

Action Items

Assignee	Task
Congressman Huffman’s Office	Contact entities with the technical and financial capacity to support continuing the Ad Hoc Committee process
Congressman Huffman’s Office	Contact FERC with clarifying questions related to building on the existing PG&E PAD in the NOI submission and who can be the NOI signatory.

General Updates

Congressman Huffman's office has been pursuing various potential funding sources (e.g., Wildlife Conservation Board) to support the Ad Hoc Committee going forward. Not much advancement has occurred at this time. Congressman Huffman is working with the Army Corps of Engineers and other partners to explore Coyote Valley Dam storage options; other federal funding support will likely be limited to Pacific salmon restoration and grant funding. Water bonds and state funding are a more viable option than legislative changes. John Driscoll with the Congressman's office will continue to work with Ad Hoc Committee members and other possible partners to explore viable options for continuing the Ad Hoc Committee process.

The group briefly discussed opportunities for the public to provide input to the Ad Hoc Committee. The group agreed to retain the current process structure for now where the Ad Hoc and working group meetings are for members only. The group felt all major interests were well represented in the discussions and identified other avenues for public input (e.g., direct inquiries to John Driscoll, provide information on the website, and utilize the FERC public comment period).

PVP Relicensing Process

Context

In January 2019, PG&E submitted its notice of withdrawal from the FERC relicensing process and terminated its efforts to sell the project. FERC will lead the process that will determine the future for the Potter Valley Project (PVP) facilities (i.e., new license issued or decommissioning). PG&E will continue to own and operate the project until FERC issues the new license or directs PG&E to develop and complete decommissioning. The current license expires April 14, 2022.

FERC Question and Answer Session

FERC staff provided clarification on the relicensing process, particularly related to general statutory and timeline requirements. Major takeaways are summarized below.

Notice of Intent and Pre-Application Document. The current process is similar to an orphan project process. This process is unique in that normally FERC would initiate the orphan process if the licensee misses its final license application date. For PG&E, that application date would have been April 2020. Because PG&E notified FERC it would not submit a relicensing application, FERC distributed a notice soliciting interested parties to submit a Notice of Intent (NOI) and Pre-Application Document (PAD) for a new license (due June 28, 2019). The regulations outline the required information for the NOI and PAD (refer to [NOI checklist](#) and [PAD checklist](#)).

Pre-filing Process. By June 28, the interested parties will propose a pre-filing process. Typically, a pre-filing process takes approximately three years; however, the license application is due April 2020 (by statutory requirement). Therefore, FERC staff encourage interested parties to offer suggestions on an appropriate pre-filing process, given the statutory constraints on the timeline and will work with the interested parties to determine how best to proceed forward.

Relicensing Application Deadline. If no one submits a relicensing application by April 2020, applicants would need to file for an original license application. FERC issued the 120-day period for submitting a NOI and PAD before April 2020 partly to support the opportunity for interested parties to take on the PVP before the license expires in 2022.

Multiple Applications. FERC cannot require an interested party to submit a license application, nor prevent an interested party from proceeding forward with the application process. If FERC receives multiple notices of intent, staff will likely encourage interested parties to work together to minimize the number of applications, but FERC cannot preemptively narrow the number of potential applications before submission. If FERC receives multiple applications, resulting in a competitive situation, different applications may be presented as separate “alternatives” (if applications are sufficiently different from one another) in National Environmental Policy Act (NEPA) environmental assessment documents. Part of that review could entail evaluating how well the application/alternative aligns with existing comprehensive plans that FERC has already accepted. A relatively recent FERC example of multiple competing applications is the Scotland Dam (northeast Connecticut).

Qualified Applicants. If someone notifies FERC with concerns about the applicant’s qualifications, FERC will then investigate. Historically, FERC has not disparaged interested parties from applying, except for the rare situation when an applicant has demonstrated it would be an unqualified licensee.

Application Waiver. Applicants could potentially request a waiver regarding the content of the license application or the timing of the application review. This requires support from stakeholders, including fish and wildlife agencies.

PVP Transfer. If FERC identifies a new licensee before 2022, PG&E can choose to transfer the project facilities or use some other form of property arrangement before PG&E’s license expires. PG&E can also choose to wait until its license expires, but that would entail a new, original license (i.e., no facilities belong to PG&E to transfer).

PG&E Study Plans. FERC cannot require PG&E to complete the studies that PG&E developed when it was previously seeking relicensing. A potential applicant could conduct those studies if desired.

Orphaned Project Requirements. If FERC does not identify a new license, and PG&E must surrender the project, FERC may require PG&E to conduct additional studies in order for FERC to understand the implications and nature of the surrender. FERC may also require PG&E to implement one-time measures (e.g., if the dam needs to be fixed), but FERC cannot require or enforce ongoing actions (e.g., fish passage monitoring or maintenance).

Non-Hydropower Generation Project. If a proposal includes no power generation component, then there will be no FERC pre-filing process. PG&E would have to surrender its license and terminate appropriately the power generation aspect of the PVP. The state and federal authorities (e.g., U.S. Forest Service) that have jurisdiction over the proposed activities would then decide the future of the project.

Ad Hoc Discussion

Participants first clarified a few components of the FERC relicensing process:

- Other than the incumbent licensee (i.e. PG&E in the case of the PVP), FERC may give licensing preference to an application from a state entity, municipality, or federally recognized tribe. That entity does not need to be local. A Joint Powers Authority (JPA) could qualify as a municipality.
- The Potter Valley Project does not qualify for a license exemption as its generation capacity is too high, it exists partly on federal property, and it has post-1935 construction.

Other issues raised during discussion:

The current PG&E PAD lacks sufficient information regarding dam safety and stability, which an applicant will need to address. The California Division of Safety of Dams (DSOD) stated that it would do a full investigation of Scott Dam this year.

Currently PG&E considers that its withdrawal from the relicensing process is irreversible. PG&E has a stake in the outcome, but must also stay neutral if competing license applications emerge.

Existing water rights will likely need to be amended if future operations do not include hydropower generation, and water diversions continue.

Committee members shared concerns about potential delays through the FERC licensing process (e.g., waiting until 2022 and needing to issue a new, original license) and resulting impacts on fish.

Working Groups Progress

Fish Passage

[View [slides](#)] A sub-group of the Fish Passage Working Group has been using a high-level qualitative filtering tool / scoring matrix to help evaluate different scenarios and options. (Refer to [scoring key](#) and [scenario options table](#) for additional detail on the scoring approach.)

Based on the qualitative scores, the sub-group agreed that, solely from a fish passage perspective, dam removal generally benefits all fish life stages. Sub-group members shared different perspectives on several parameters, namely water quality / habitat below Scott Dam (e.g., temperature and cyanobacteria) and its implications (e.g., pike minnow thrive in warmer water). Sub-group members also acknowledged that they lacked the expertise to adequately analyze implications of non-biological factors (e.g., operations and maintenance costs).

The sub-group felt that various upstream fish passage options are feasible for adult salmonids (and possibly juveniles) and lamprey; however, the sub-group had several concerns about out-migrant passage options for both juvenile and adults and recommended further analyses address these uncertainties. These out-migrant concerns apply to both salmonids and other species of interest, such as lamprey.

[Refer to [Overview Summary of Options](#)]

	1 Fishway at Existing Scott Dam Options	2 Trap & Haul	3 Partial Scott Dam Removal	4 Remove Scott Dam and Modify Cape Horn Dam
Options	1.1 Semi-Natural, Low-Gradient Bypass Channel	2.1 Trap & Haul, Van Arsdale to Scott Dam	3.1 Lower Scott Dam to 80' - Meet PVID demand and environmental flows	4.1 Remove Scott Dam and Modify Cape Horn Dam
	1.2 Original Mead & Hunt (M&H) Fish Ladder	2.2 Trap & Haul, at Scott Dam	3.2 Lower Scott Dam to 50' - Retain accumulated sediment	4.2 Remove both Scott Dam and Cape Horn Dam 1) With Diversion (provides another baseline for flows and fish)
	1.3 Modified M&H Fish Ladder			2) No Diversion

The sub-group did not consider changes to flow schedules at Cape Horn Dam; this is another issue to explore in the future.

For next steps, the Fish Passage Working Group will work with the sub-group to finalize scores; document assumptions, uncertainties, agreements, and diverse perspectives; integrate work with the Water Supply Working Group; and develop fish passage recommendations to present to the Ad Hoc Committee.

Water Supply

[View [model scenarios overview](#)] The modeling sub-group continues to conduct the model runs identified at the previous Ad Hoc meetings (refer to model scenarios overview below). Results will be ready for the next Water Supply meeting (late May).

Modeling Scenarios Updated 4/16/19		Russian River & Lake Mendocino Alternatives		
		Current Operations	Lake Mendocino FIRO (Hybrid) with Fish Flow EIR Operations	Raise Coyote Valley Dam+++
Potter Valley Project Alternatives	Current Operations	Baseline: Existing Climate		
		Baseline FC: Future Climate		
	PVP Revised Operations+		Scenario 4: Existing Climate	
	Run-of-the-River ++		Scenario 2: Existing Climate	
			Scenario 2FC: Future Climate	
PVP Decommission	Scenario 1: Existing Climate	Scenario 3: Existing Climate	Scenario 5: Preliminary analysis with Existing Climate	

GREEN boxes are scenarios that are run using existing (historic) climate conditions (1911-2017). Green boxes (scenarios) will be compared with each other, but cannot be compared to future

ORANGE (Baseline FC and Scenario 2FC) boxes are scenarios that are run using 4 future climate models, and are run into the future (50 years) rather than historical. At this point, the only comparison will be Scenario 2FC with the Baseline FC (No other scenarios will have climate change modeled other than Baseline and Scenario 2)

+ PVP Revised Operations Assumptions: reduce minimum flows on the East Fork Russian River; modify Eel River flows below Cape Horn Dam during late fall and late spring shoulder season; modify E-5 condition to allow for additional tunnel diversions during Scott Dam spill events improve cold water pool availability in Lake Pillsbury.

++ Run-of-the-River Assumptions: Remove Scott Dam; continue Van Arsdale diversions with a maximum PVP diversion of 170 cfs or 240 cfs; achieve unmet Potter Valley Irrigation District (PVID) demands (up to 15,320 ac-ft) via pumpback from Lake Mendocino.

+++ A preliminary analysis of needed storage to avoid draining the reservoir during series of drought years, assuming historic Lake Mendocino inflow (with no PVP diversions), Fish Flow EIR demands from Lake Mendocino, and no Lake Mendocino flood control reserve space.

Ad Hoc Discussion

The Ad Hoc supported the working groups' progress. A Committee member indicated that the outcomes of the working groups, the model results in particular, will inform how its organization may proceed with the relicensing NOI.

Participants underscored the urgency to develop and submit a NOI to FERC by June 28; however, several acknowledged the sub-groups may not be able to expedite their work more than they already are.

An Ad Hoc Committee member suggested the working groups consider other storage options to enhance water supply reliability, including a distributed storage concept (where constructed features, in tributaries and the main river stem, raise the head and create more a storage around the alluvial fan) and radial collector wells. Working group members indicated that the groups would need more details about the design of these options to adequately evaluate. The Natel Consulting group may have examples of distributed storage designs. The Round Valley Indian Tribe has explored creating additional storage on the east fork of the Eel River (with the exception of Scott Dam). Attendees speculated whether certain components of the scenarios/options already evaluated could potentially serve as proxies.

Collaborative Notice of Intent

Committee members shared thoughts on submitting a collaborative NOI. Mendocino County Inland Water & Power Commission (IWPC) and CalTrout shared that both had intended to submit bids during the PG&E auctioning process and would explore the possibility of submitting NOI. CalTrout stated that it has been speaking with other potential partners as well about submitting a NOI.

IWPC shared that it is willing to collaborate with others and have an interest-based discussion to develop a two-basin solution, as long as parties are willing to keep all options on the table.

Participants speculated a collaborative NOI that aligns with the Ad Hoc's two-basin solution objective would demonstrate wide stakeholder support and be more competitive to NOIs from external parties.

If stakeholders planned to form a JPA, the group was unsure whether FERC would accept a NOI from a yet-to-be-formed municipality.

Interested parties could participate in a collaborative NOI while also retaining the option to submit a separate NOI. The opportunity to collaborate and form a single application still exists even if multiple NOIs are submitted. Participants worried about the costs and potential delays if there are multiple NOIs. The facilitator encouraged Committee members to exercise flexibility and good faith if they choose to pursue the collaborative NOI, acknowledging the high stakes and each party's need to preserve options. It is still possible to have deep commitment to collaborate while also exploring separate pathways forward.

Next Steps for the Ad Hoc Committee

Relicensing Timeline Summary

- June 28, 2019 - NOI and PAD due; applicants propose pre-filing process
- April 14, 2020 - License application due
- April 14, 2022 - Original PG&E PVP license expiration date

Ad Hoc questions to pose to FERC:

- Could the applicant reference the existing PG&E PAD, noting any additional studies or changes as is appropriate for the proposed application?
- Does FERC require a singular entity to be the signatory, or can a yet-to-be-formed JPA be the signatory?

The Ad Hoc agreed to hold a meeting in early May to consider next steps for potentially submitting a collaborative NOI. Non-eligible signatories such as NOAA Fisheries are invited to join, but their attendance is not necessary.