



Sonoma
Water

Potter Valley Project Update

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Topics for Today

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- Potter Valley Project (PVP) History
- Relicensing Efforts
- PVP Surrender Process
- Current Activities

Take Home Messages!!

- PVP has an unknown future with a long FERC process.
- PVP water is critical to the health and economy of the Russian River basin.
- Team working to preserve this critical inter-basin water source.
- Russian River water resiliency improvements are needed.



Potter Valley Project (PVP)

- PVP is hydroelectric project owned and operated by PG&E for over 100 years.
- On average, 60,000 acre-feet (AF) of water is transferred from the Eel River to the Russian River annually through the PVP.
- Even with these transfers, Lake Mendocino's water supply must be managed carefully.



PG&E Decision to Surrender

- PG&E operated the PVP under a license from the Federal Energy Regulatory Commission (FERC) that expired in April 2022.
- PG&E has decided to surrender its FERC license and decommission the project.
- This decision creates risk and uncertainty for Eel and Russian River basin communities and imperiled fish.



Importance to the Russian River

- This water is crucial to the economy and environment of the Russian River basin, including threatened species of anadromous fish.
- Preliminary estimates suggest that the loss of water provided by the PVP to the Russian River could result in losses of up to \$40M per year to the economies of Mendocino and Sonoma counties.
- Even with the PVP water, additional water supply resiliency improvements are needed for the Russian River Basin.



Impact on Lake Mendocino



Without PVP water transfers to the Russian River

- In 8 out of 10 years there will not be enough water supply to meet all the needs of businesses, cities, residents, and wildlife that depend on the Russian River



- In 2 out of these 8 water-short years, there is predicted to be a 30,000-acre foot shortage of water in the Russian River, and Lake Mendocino is predicted to go dry.



2019 - Two Basin Partnership Formed



- Minimizing or avoiding adverse impacts to water supply reliability, fisheries, water quality, and recreation in the Russian River and Eel River basins.
- Improving fish passage and habitat on the Eel River sufficient to support recovery of native anadromous fish populations, including passage at existing dam locations.
- Collaboration on funding.
- Active participation of tribes and other stakeholders supportive of the Shared Objectives.
- Economic welfare of the Russian River and Eel River basins
- Protecting tribal cultural, economic, and other interests in the Eel and Russian River basins.



Relicensing Challenges and PG&E Surrender Process



Partners filed Pre-Application Document & Notice of Intent

- FERC accepted in June 2019
- Required relicensing to be completed by April of 2022
- Completed Feasibility Study
- **Total Estimated Modification Costs: \$100M to \$400M (rounded)**
- **Estimated Relicensing Costs: \$20M to \$30M**
- Two Basin Partnership could not raise relicensing funding.

- May 2022: FERC issues PG&E a request for plan and schedule for surrender application.
- July 2022: PG&E submits plan and schedule (30 months) for submitting the Potter Valley Project surrender application and decommissioning plan.



Current Efforts – DWR Grant



- Investigating acquisition of key components of the Potter Valley Project from PG&E and modifying them to function as a water diversion-only facility, including estimating the cost of modifications and operations.
- Analyzing and developing concepts for the projects necessary to improve water supply reliability in the Russian River under drought and climate change conditions.

- Establish a Russian River Water Users Forum representing water users that are dependent on the inter-basin transfer of water from the Eel to the Russian River through the Potter Valley Project (PVP) to create a source of funding for continuing water transfers.



Water Users Forum

Develop a plan for strategic engagement: Collaborate with water user representatives to identify clear goals for the engagement process.

Reach out to and educate stakeholders: The Russian River Water Users Forum will offer a platform for education, outreach, and knowledge sharing to encourage engagement with these issues.

Facilitate the creation of a leadership structure: Create a self-sustaining leadership structure, such as a steering committee, that is trusted by water users and other stakeholders to represent their various interests.

Engage in solutions for the Russian River watershed: Assess the likelihood of ongoing financial support for the continued import of Eel River water and for water conservation and supply resiliency projects for the Russian River.



Take Home Messages

- PVP has an unknown future with a long FERC process.
- Critical to the health and economy of the Russian River basin.
- Working to preserve this critical inter-basin water source.
- Russian River water resiliency improvements are needed in addition to maintaining inter-basin transfers.
- A Water Users Forum will help inform & assess support for maintaining the inter-basin water source and Russian River water supply resiliency projects.



Questions?





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