

Agenda Title

Approval of Execution of the Planning Agreement to Undertake a Feasibility Study of a Potential Licensing Proposal for the Potter Valley Project with Sonoma Water and California Trout, Inc. and Authorize Chair to Sign the Same; Authorize Contribution of \$100,000 Toward a Feasibility Study

**Summary of Request:**

Approve Execution of the Planning Agreement to Undertake a Feasibility Study of a Potential Licensing Proposal for the Potter Valley Project with Sonoma Water and California Trout, Inc. and authorize Chair to sign the same; authorize contribution of \$100,000 toward a Feasibility Study.

**Recommended Action:**

On April 6, 2017, Pacific Gas & Electric (PG&E) began the relicensing process with the Federal Energy Regulatory Commission (FERC) by filing a Notice of Intent (NOI) and Pre-Application Document (PAD). On January 25, 2019, PG&E filed a Notice of Withdrawal of its NOI to file a new application with FERC, stating it would not seek a new license for the Project. On March 1, 2019, FERC issued a Notice Soliciting Applications for any party interested in filing a license application for a new license, requiring that an NOI and PAD be filed by July 1, 2019.

In order to meet this deadline and maintain options for a Two-Basin Basin solution, it is recommended that the Commission authorize the Chair to execute the Planning Agreement to Undertake a Feasibility Study of a Potential Licensing Proposal for the Potter Valley Project with Sonoma Water and California Trout, Inc. (Planning Agreement), with the intent of jointly filing the Planning Agreement, along with other required documents, by the July 1, 2019 deadline.

The Planning Agreement describes a set of shared objectives that the parties agree upon, such as water supply reliability and fisheries restoration, among others. The Planning Agreement also describes the feasibility study components needed to determine the best way to meet those shared objectives without predetermining the outcome. Finally, the Planning Agreement describes the milestones FERC could rely upon to ensure an application to acquire the license would be forthcoming, including completion of the required studies, formation of the entity that would hold the license for the Project, and the date the application would be filed. The Planning Agreement will allow the parties to prepare a feasibility study of a potential licensing proposal for the Project that meets a collaborative Two-Basin Solution for the future of the Project to support water resources and fisheries restoration in both watersheds.

As part of the Planning Agreement, IWPC, Sonoma Water and Cal Trout will each contribute \$100,000 toward funding the Feasibility Study. Recognizing that these efforts could be enhanced by increasing the number and diversity of stakeholders participating in the licensing process, the Planning Agreement includes the ability to add additional parties who are willing to work toward a Two-Basin Solution and who agree to the above shared objectives.