

FERC Advances Review of Potter Valley Project Surrender and New Eel-Russian Facility

Scoping Document Reinforces Path Forward for Continued Eel River Diversions and Regional Water Reliability

On Friday, May 22nd, the Federal Energy Regulatory Commission (FERC) released a Scoping Document for PG&E's surrender and decommissioning of the Potter Valley Hydroelectric Project (PVP). In its Scoping Document, FERC stated that the Commission is reviewing PG&E's application to surrender and decommission the PVP along with its joint proposal "to construct a New Eel-Russian Facility (NERF) for the purpose of water diversion through some of the project's existing infrastructure" into the Russian River.

Since PG&E first indicated its intent to surrender and decommission the PVP, the Inland Water and Power Commission (IWPC) has been focused on securing a continued supply of Eel River water into the Russian River.

"We worked very hard over many years with our partners and PG&E to ensure that PG&E's application included our ability to continue to divert water through NERF," said Janet Pauli, Chair of IWPC. "Everyone had to drive toward a common vision for a solution for both basins. It was hard work – but it was good work."

"Scott Dam's degradation as a reliable source of water on our side of the watershed and PG&E's surrender of the PVP together have created an inflection point with far-reaching consequences for the Upper Russian River community," observed Mari Rodin, Ukiah City Councilmember and Commissioner on IWPC. "We must now secure a reliable and sustainable water supply for the future - and that requires coordination between IWPC, the Eel-Russian Project Authority, and Round Valley Indian Tribes, as we work in partnership to construct the New Eel Russian Facility."

FERC's formal scoping process is part of the analysis it must conduct pursuant to the National Environmental Policy Act. FERC will review PG&E's proposed action, as well as alternatives to the proposed action, and analyze associated environmental issues.

FERC Rejects Retaining Scott Dam

Importantly, in outlining potential alternatives to PG&E's proposed action to decommission PVP and construct NERF, FERC rejected several alternatives. The agency stated: "Given the seismic stability concerns surrounding [Scott Dam], past efforts to find an operator for the project, and PG&E's preferred alternative to remove the structure," FERC rejected retaining Scott Dam as an alternative.

“From a Russian River water supply perspective, Scott Dam is simply no longer a reliable source of water for the Upper Russian River and we must look at better options for the future,” observed Phil Williams, a water attorney and special counsel for the City of Ukiah. “It’s just geometry and geography: Lake Pillsbury, a reservoir in another watershed, now has a dramatically reduced storage capacity of only 40,000 acre-feet, compared to its original capacity of 90,000, and PG&E’s yearly variance requests over the past decade have reduced imported water down to 5 cubic feet per second. Lake Pillsbury no longer functions as a reliable source of water for us and new supply and storage solutions are necessary.”

FERC Rejects Dam Removal Without NERF

Equally important, FERC has also found that constructing NERF is a necessary part of removing Scott Dam. The agency stated: “Removal of project facilities without construction of the NERF would eliminate the existing infrastructure necessary for any future diversions to the East Branch of the Russian River and would adversely affect PG&E’s obligation to deliver up to 19,000 acre-feet of water to the Potter Valley Irrigation District.”

Janet Pauli, Chair of IWPC and President of Potter Valley Irrigation District stated: “FERC has acknowledged what we have all long-recognized: that the Upper Russian River, including Potter Valley, is reliant on Eel River water and that we must have infrastructure in place to support continued diversions moving forward.”

FERC Rejects Federal Government Takeover of the PVP

In its Scoping Document, FERC acknowledges that federal takeover of the PVP is not a reasonable alternative. “Federal takeover of the project would require congressional approval,” FERC stated, adding, “there is currently no evidence showing that federal takeover should be recommended to Congress.” FERC also observed that “no federal agency has expressed interest in operating the project.”

“Federal agencies can only execute those powers Congress or the Constitution has explicitly given them,” stated Scott Shapiro, special counsel for IWPC and an experienced water attorney with decades of experience in complex water projects. “Though there has been much commentary around the subject, neither the U.S. Department of Agriculture nor the Bureau of Reclamation have the statutory authority to own, construct, operate, or maintain a major water storage and delivery facility unless Congress takes new action.”

Scoping Process Signals Next Steps for PVP Removal

PG&E’s surrender of the PVP presents the region with a significant challenge and a tremendous opportunity to secure a reliable source of water following that surrender.

“The decisions we make now will affect our community for the next 50 years or more,” observed Dave Koball, an IWPC Alternate Commissioner and Trustee at Russian River Flood Control “We

need to be smart about taking the next steps in securing water supply and water storage solutions for our future.”

IWPC encourages members of the public to attend the scoping meetings to voice their concerns and better understand PG&E’s proposed action.

FERC to Hold Scoping Meetings in Ukiah

As part of its ongoing analysis under NEPA, FERC will be taking public comments in written format as well as conducting two scoping meetings.

Tuesday, June 23, 2026, from 6:30 pm to 8:30 pm (PDT)
Ukiah Valley Conference Center (Chenin Blanc Room)
200 S. School Street, Ukiah, CA 95482

and

Wednesday, June 24, 2026, from 10:00 am to 12:00 pm (PDT)
Ukiah Valley Conference Center (Chenin Blanc Room)
200 S. School Street, Ukiah, CA 95482

For information on how to submit comments electronically, or by mail, view the Scoping Notice at https://elibrary.ferc.gov/eLibrary/filelist?accession_num=20260522-3069