DECEMBER 19, 2025

Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, D.C. 20426

Subject: Comment Opposing Surrender and Decommission of the Potter Valley Hydroelectric Project, Project No. 77-332

To Whom It May Concern:

This public comment is submitted on behalf of the America First Policy Institute ("AFPI"). AFPI is a 501(c)(3) non-profit, non-partisan research institute dedicated to advancing policies that put the American people, including our farmers and ranchers, first. Its guiding principles are liberty, free enterprise, the rule of law, America-first foreign policy, and a belief that American workers, families, and communities are the key to our country's success. AFPI's leadership and alumni include many current and former leaders of the United States government.

First, AFPI welcomed the Federal Energy Regulatory Commission (Commission) recent December 4, 2025, comment period extension for the application to surrender and decommission the Potter Valley Project. This extension was warranted, given the complexities raised by the recent 2025 lapse in government funding and the fact that many California farmers and ranchers were faced with the demands of harvest season during much of the original comment period.

Without keen attention to comments submitted for this application, large, government-intertwined utility companies like Pacific Gas and Electric Company ("PG&E") will not only continue to extract residential power rates from California citizens that are among the highest in the nation[1] (second only to Hawaii), but will also continue to create even more variability and scarcity of foundational resources for survival of businesses and communities, like water. Agriculture already carries inherent risk, and farming operations are made even more difficult to manage by the possibility of arbitrary water restrictions, such as those that will arise from the applicant's proposed decommissioning of the Scott and Cape Horn Dams that comprise the Potter Valley Project. At some point in the near future, if this decommissioning plan proceeds, farmers in the area will simply stop farming in an area coined as the Salad Bowl of the World.

PG&E's application to surrender and decommission the Potter Valley Project fails to provide a long-term water security solution or the comprehensive public-interest review required under Section 6 of the Federal Power Act (16 U.S.C. § 791a et seq., license surrender regulations at 18 C.F.R. pt. 6(2024)). It is now imperative that the Commission consider AFPI's input on the diminished wildfire suppression capability and the negative economic impacts, as well as all feedback from affected farmers and ranchers, and the communities impacted by the

[1] https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

possible discontinuation of the Scott and Cape Horn Dams. For the reasons and concerns discussed below, the agency should disapprove the application, and diversions from the Eel River to the Russian River Watershed via these dams should continue to serve water users in the area.

**Negative Net Economic Impacts from Decommissioning**

Decommissioning removes significant agricultural productivity, which alone will permanently alter the character and economy of the local community. The project has provided water to the surrounding communities for more than a century, and its physical footprint (not only the water it diverts) is critical to the viability of the local economy. The economy in the surrounding community and the livelihood of citizens are both rooted in continued agricultural productivity. However, that productivity will be lost as a result of the decommissioning of these dams. While agricultural productivity is a key driver of the local economy, tourism and recreation centered around Lake Pillsbury are also large contributors. The total impact of losses from these industries following the loss of Lake Pillsbury should be more thoroughly and accurately analyzed before this application proceeds.

The immediate area served by the Potter Valley Project is within the Potter Valley Irrigation District (PVID). PVID receives most of its agricultural irrigation water in a given year from diversions at the Potter Valley Project dams and uses it to serve approximately 6,900 acres[2] that produce a wide range of agricultural goods worth tens of millions of dollars annually. Wine grapes and other orchard fruits, hay, pastured cattle, specialty crops, and nursery products like flowers are just a few of the types of cultivation that come together to amount to an estimated $33 million[3] in the annual direct agricultural production value for the area. This amount represents the core of the local agricultural economy that depends on reliable dry season flows from the Potter Valley Project dams and is at risk of being taken out of production entirely by decommissioning. In addition to the direct impact on producers in the PVID, the Potter Valley Project dam diversions provide significant contributions toward water used by inland Mendocino County's wine/grape growers in dry months ($130 million total annual economic value of grapes county-wide),[4] and similarly to wine grape-dominated agricultural production in northern Sonoma County ($626 million total economic value in 2024).[5]

As the largest lake on the Mendocino National Forest, Lake Pillsbury has an average of 2,280 acres of surface area and 31 miles of shoreline[6] (depending on water levels). This vast expanse of

[2] https://www.pottervalleywater.org/pvid_history.html
[3] https://www.pottervalleywater.org/pvid_agriculture.html
[4] https://www.ukiahdailyjournal.com/2024/02/16/strong-pricing-good-yield-for-latest-mendocino-county-grape-crop/
[5] https://sonomacounty.ca.gov/natural-resources/agriculture-weights-and-measures/crop-reports
[6] https://www.fs.usda.gov/r05/mendocino/recreation/lake-pillsbury

water enables the economy from countless hours of recreation and real tourism dollars spent by boaters, swimmers, anglers, off-highway vehicle operators, campers, and hunters using the lake and the adjacent grounds. If the dams are decommissioned and Lake Pillsbury is lost, there will be a significant loss of recreation for users of the five public campgrounds and boat ramps, and recreation businesses on the lake (including a private resort, marina, and other businesses) will go away permanently. Lake-focused recreation businesses in the area will close, and their loss will significantly impact the surrounding economy. The loss of the lake will result in fewer jobs and lost revenue as recreational use by local citizens ceases. The loss of the lake will lead to significant reductions in tax revenue, with estimates exceeding $1 million for Lake County.[7] These stem from the likely closure of businesses in the surrounding area due to reduced recreation and tourism, and from the devaluation of properties in the area that will no longer be a lake.

**Wildfire Suppression Concerns**

The reservoirs of the Potter Valley Project are critical for wildfire suppression in the region, providing accessible water for firefighting efforts. For more than a century, the Potter Valley Project provided water to over 600,000 residents from Potter Valley to Marin County,[8] and Lake Pillsbury has helped extinguish two of the three largest fires in California history.[9] Lake Pillsbury, created by Scott Dam, is located in the Mendocino National Forest and serves as the primary reservoir for the surrounding area's firefighting capability for a large portion of frequently dry and fire-prone Mendocino and Sonoma Counties. When fires start in the area, the 2,300-acre Lake Pillsbury is often the closest location for aerial firefighting operations to obtain water. Because of its location being at a relatively high altitude, it is also a significant water source for ground crews. As proposed, the removal of Scott Dam would not only amount to the loss of water for users in the area, but would be a loss of important wildfire infrastructure that could severely hamper the ability to combat wildfires, thus greatly increasing risks to lives and property.

Without Lake Pillsbury and the rest of the Potter Valley Project infrastructure, there would have been significantly less water available to effectively fight the 2017 Redwood Complex Fire and to fight the single largest fire in California history (up until that time). The Ranch Fire (which was part of the Mendocino Complex Fire of 2018) burned a shocking 410,203 acres[10] before being contained with the help of aerial filling of buckets from Lake Pillsbury.[11] While these fires devastated local communities, Lake Pillsbury's water helped ensure that they did not spread

[7] https://www.lakecountyca.gov/1859/Lake-Pillsbury
[8] https://www.sonomawater.org/quick-facts
[9] https://www.sfgate.com/northcoast/article/potter-valley-project-california-water-battle-20192320.php
[10] https://www.fire.ca.gov/incidents/2018/7/27/ranch-fire-mendocino-complex
[11] https://www.ukiahdailyjournal.com/2018/08/13/mendocino-complex-fire-fire-crews-concentrate-on-lake-pillsbury-area/

toward more densely populated areas. Then, two years later, in 2020, Lake Pillsbury's presence again was a critical suppression tool that allowed for firefighters to make repeated aerial discharges of water that eventually contained the one-million-acre August Complex Fire.[12]

Rather than working to ensure greater water availability, California government officials and PG&E have instead put forth alternative uses for these same waters. Their alternative uses include rerouting rivers to send water into the ocean for the purpose of providing speculative benefits to certain fish species. Alternative uses like these are not human-friendly when viewed in the context of the all-encompassing effects and threats to human life created by wildfires burning in communities without sufficient water availability to fight them. We therefore encourage the Commission to consult with the United States Forest Service (FS) to assess the reservoirs' role in wildfire management and to ensure that decommissioning does not compromise regional fire suppression capabilities.

Decommissioning the Potter Valley dams not only threatens local water infrastructure, but it also flies in the face of recent national efforts[13] to shore up water resources in California. These include maximizing upstream water deliveries from the release of billions of gallons[14] of water from two reservoirs in California's Central Valley to respond to devastating fires that started in Los Angeles earlier this year, when there was no water available. For wildfires to be suppressed and to reduce deaths and damage to property, water diversions that result in what is made available by Lake Pillsbury (and thus the Scott and Cape Horn Dams) must not be decommissioned.

**Post-Decommissioning Water Shortfalls**

The PG&E application[15] (Docket No. P-77-000, Accession number 20251031-3033) identifies "unavoidable adverse effects" from decommissioning in various places throughout to escape requirements to ensure water availability after removal of the dam infrastructure. Specifically, the framing of the effects on resource areas (such as water supply and irrigation) as unavoidable and as being direct consequences of removing the dams allows PG&E to be relieved of their responsibility to continue to provide water to users in the area after decommissioning – including up to 600,000 users[16] who receive water from the Russian River from Potter Valley Project dam diversions. While there are indeed many adverse effects tied to decommissioning, many are

[12] https://www.sfgate.com/northcoast/article/pge-dam-removal-northern-california-wildfires-21020928.php
[13] https://www.whitehouse.gov/presidential-actions/2025/01/emergency-measures-to-provide-water-resources-in-california-and-improve-disaster-response-in-certain-areas/
[14] https://www.whitehouse.gov/presidential-actions/2025/01/putting-people-over-fish-stopping-radical-environmentalism-to-provide-water-to-southern-california/
[15] https://elibrary.ferc.gov/eLibrary/search?query=P-77&dates=&max=50&format=html&rows=20&freeForm=P-77&type=accession
[16] https://www.sonomawater.org/water-resources

likely avoidable, or at a minimum, able to be mitigated to a great extent by ensuring the availability of reliable water diversions with adequate flow for dry years, but the application does not go into detail on this subject. In avoiding discussion of mitigation of water losses and future diversions, the application also largely ignores the effects on people who will suffer losses in water availability. PG&E instead emphasizes their assignment of future responsibility to a separate authority outside of PG&E (the Eel-Russian Project Authority (ERPA)) and points to them for responsibility for future diversion and allocation decisions in running a replacement system.

The replacement system, called the New Eel-Russian Facility (NERF), is cited and discussed throughout this application as being a viable alternative water source to maintain needed flows to these producers, but local producers and PVID[17] are convinced that diversions planned to occur by NERF will not be sufficient to allow for irrigation during dry months. The NERF system would restrict diversions of water to wet seasons and leave demand unmet during dry seasons, unlike the Potter Valley Project diversion capabilities that are able to meet demand through wet and dry seasons. Farmers and ranchers irrigate when it is dry, and other users most often need water when the weather is dry in late spring and early summer. A shortfall of 9,000 acre feet per year of water is predicted because of this dry season restriction, using current demand and NERF diversion capabilities evaluated in a study commissioned by the Sonoma County Water Agency[18]. The NERF diversion capability number used for the new facility (while already insufficient to meet existing demand) is put forth in this application as being able to be scaled back even further in future years if the diversions are deemed by central planners to harm the flow of the Eel River – a likely determination after decommissioning of the Potter Valley Project dams as proposed, given the surrender application's dismissiveness of effects on water users.

**Conclusion**

PG&E's application to surrender and decommission the Potter Valley Project fails to provide a long-term water security solution or the comprehensive public-interest review required under Section 6 of the Federal Power Act (16 U.S.C. § 791a et seq., license surrender regulations at 18 C.F.R. pt. 6(2024)). It also ignores severe impacts to the local economy and wildfire suppression, lacks viable post-decommissioning plans, and prioritizes determinations of harm to the Eel River made by central planners over the water diversions that Potter Valley and surrounding area residents and farmers currently rely on. Without the existing dams and diversions, water supplies will decrease beyond any level of reasonable viability, thus threatening the very existence of people in the area. The application also lacks transparency and meaningful stakeholder engagement. Therefore, a "no-action" alternative is the only viable path. AFPI respectfully urges

[17] https://www.pressdemocrat.com/2025/11/28/water-storage-options-floated-for-mendocino-countys-potter-valley-as-pacific-gas-and-electric-advances-dam-removal/

[18] https://www.sonomawater.org/media/PDF/Projects/PVP/SW_PotterValley_WaterSupplyReliabilityStudy_508.pdf

the Commission and cooperating agencies to reject the surrender application and associated plans in their current form, deny the non-project use request, and instead require a transparent, comprehensive, science-driven process with robust stakeholder consultation that preserves this critical water infrastructure and protects the Potter Valley families who depend on it.

Thank you for your consideration of this request.

Sincerely,

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