

Good morning. I'm Chris Shutes with the California Sportfishing Protection Alliance, or CSPA.

Last month I gave a talk at the conference of Association of California Water Agencies that some of you attended. One of my points was that 50% of FERC relicensing is process, and true to form at least 50% of what I say today will be about process.

Unless I've forgotten one, this will be my eighth full-on run at an Integrated Licensing Process, and my third with PG&E. My first was the DeSabra – Centerville Project on Butte Creek. In February of this year, PG&E withdrew its license application, about twelve years after the relicensing process began. My first message is please, PG&E, if you're going to back out of the Potter Valley Project, be kind to yourselves and to everyone else; start that process decisively, and start that process soon.

This is not an offhand concern. Power markets are changing. As a stand-alone power project, the Potter Valley Project makes no economic sense. However, any knowledgeable observer understands that by far the greatest value of this project is that it is primarily a water supply project. In order to find an outcome to this relicensing that is going to meet as many interests as possible, this process needs to embrace analysis of the project's water supply function. To understand the interests, we need facts and data that support such analysis. So my second message is jointly to PG&E and to staff from FERC: let's get the water supply data into the record. Let's not draw fences between water and power operations that have basis in labelling but not in reality. Let's not oppose or deny studies because their subject matter has more to do with water than with power. You can't balance water supply interests if you don't put numbers on them.

My third message is for staff from the State Water Board. Even if FERC makes poor choices and does not order studies of water supply and water balance in the Russian River watershed, such topics fall squarely within the Board's water quality certification responsibilities. Get that into your scoping process now, and order studies you will need to inform those responsibilities now. FERC staff, PG&E and, my colleagues in the Hydropower Reform Coalition and I all agree that the State Board's certification process needs to synch up better with the Integrated Licensing Process. The Board has an MOU with FERC that says you'll do that. Please get started now. Your comment letter on scoping should be detailed and specific about what Board staff sees as necessary for CEQA and for Certification. This project should define and be a practical, affirmative example of the new way that the Board will do business in scoping and analyzing information for CEQA and for Certification. I also recommend that you bring to the process staff from the Division of Water Rights who has expertise in water rights per se.

My fourth message is for Sonoma County Water Agency. The Agency built a water balance model in support of its recent petitions to modify its water rights. Please share that model in this process, and share the modelers. And please come prepared to discuss water use and flows in the Russian River watershed. As I read it, the EIR you recently issued found that about 90,000 acre-feet of water per year are unaccounted for in the Russian River. That may be a result of channel losses, but it may be the result of unauthorized diversions or pumping of groundwater that is connected to the river channel. Not accounting for that water is in itself a decision. The slop in the system that allows that much unaccounted-for water means that someone else gets shorted.

My fifth message is for Potter Valley Irrigation District. Everyone in this process needs to understand your operations and your water use. Help us to do that with accuracy and clarity.

To everyone in the process, including my colleagues: we need to do our best to work together. There are interests here that have perceived and perhaps real conflicts. How we say things is often as important as what we say. Let's set a tone for the process that doesn't create more conflicts than we may already have to face.

I have some specific comments on SD1.

Recent events at Oroville have shown that it is unwise for FERC and licensees not to involve an informed public in dam safety discussions. Section 3.3. of SD1, titled "Dam Safety," suggests that relicensing participants evaluate proposed modifications to project dams to assure that modifications keep the dam compliant with FERC dam safety requirements. In the absence of understanding the structural characteristics of project dams because of Critical Energy Infrastructure Information restrictions, this is shadow boxing. The Commission should work with the licensee to carefully determine what information about project works they can reasonably share with relicensing participants, and find a way to share that information. Evaluation of dam safety should be part of this and every other relicensing. The Commission needs to change the default that says it's not. There is no better time to start than at the beginning of a relicensing.

In addition, I recommend changing the title of SD1's Section 3.3 to "Dam Safety and Reliability." There is only one outlet works for Scott Dam. If that valve fails, the river downstream will be de-watered. This process should evaluate alternatives to provide safety for aquatic resources from a potentially catastrophic failure of non-redundant project features. Too much infrastructure in California and in other states was designed without redundant facilities, on the assumption that everything essential would always work, all the time. This was a series of bad decisions in the previous century. It is unacceptable in the 21st.

The geographic scope of fishery resources in the Russian River should be from the Potter Valley Powerhouse to the mouth of the Russian River, into the Pacific Ocean. While we don't really have the data to say how indispensable Eel River water delivered through the project is to fisheries in the Russian River, current project operation has a clear effect on Russian River anadromous fisheries. Without prejudging the outcome, balancing Russian River fisheries is an important element in this relicensing.

Equally, the scope of fisheries in the Eel River watershed should extend into the Pacific Ocean. Even more than the Russian, the Eel River supports the commercial and recreational ocean salmon fishery, and has enormous potential to improve that support.

The EIS should evaluate a dam removal option, for Scott Dam at minimum. It may prove infeasible, and it may prove that the cost does not warrant the expense. But it is a reasonable alternative given the potential value of the headwaters that are blocked by Scott Dam and inundated by Lake Pillsbury. I recognize that such an evaluation will not be a simple exercise. It would have to consider alternatives to Potter Valley's water supply and alternatives for providing

adequate water supply reliability for diversions from the Russian River downstream of Coyote Dam.

Thank you for the opportunity to comment today. CSPA will also provide written comments.