

1 ANNA K. STIMMEL (State Bar No. 322916)  
2 KATRINA A. TOMAS (State Bar No. 329803)  
3 EARTHJUSTICE  
4 50 California Street, Suite 500  
5 San Francisco, California 94111  
6 Telephone: (415) 217-2000  
7 Facsimile: (415) 217-2040  
8 astimmel@earthjustice.org  
9 ktomas@earthjustice.org

10 Attorneys for Plaintiffs PACIFIC COAST  
11 FEDERATION OF FISHERMEN'S  
12 ASSOCIATIONS and INSTITUTE FOR  
13 FISHERIES RESOURCES

14 KEVIN P. BUNDY (State Bar No. 231686)  
15 MATTHEW S. McKERLEY (State Bar No. 332160)  
16 SHUTE, MIHALY & WEINBERGER LLP  
17 396 Hayes Street  
18 San Francisco, California 94102  
19 Telephone: (415) 552-7272  
20 Facsimile: (415) 552-5816  
21 bundy@smwlaw.com  
22 mmckerley@smwlaw.com

23 Attorneys for Plaintiffs FRIENDS OF THE EEL  
24 RIVER, CALIFORNIA TROUT, and TROUT  
25 UNLIMITED

26 **UNITED STATES DISTRICT COURT**

27 **NORTHERN DISTRICT OF CALIFORNIA, EUREKA-McKINLEYVILLE DIVISION**

28 FRIENDS OF THE EEL RIVER; PACIFIC  
COAST FEDERATION OF FISHERMEN'S  
ASSOCIATIONS; INSTITUTE FOR FISHERIES  
RESOURCES; CALIFORNIA TROUT; and  
TROUT UNLIMITED,

Plaintiffs,

v.

PACIFIC GAS AND ELECTRIC COMPANY,  
Defendant.

Case No. 1:23-cv-2379

**COMPLAINT FOR DECLARATORY  
AND INJUNCTIVE RELIEF**

**INTRODUCTION**

1  
2 1. Friends of the Eel River, Pacific Coast Federation of Fishermen’s Associations,  
3 Institute for Fisheries Resources, California Trout, and Trout Unlimited (together, “Plaintiffs”) bring  
4 this action pursuant to Section 11(g) of the Endangered Species Act (“ESA” or “Act”), 16 U.S.C.  
5 §§ 1531-1544, against Pacific Gas and Electric Company (“PG&E” or “Defendant”) for causing the  
6 illegal “take” of threatened California Coastal (“CC”) Chinook salmon and Northern California  
7 (“NC”) steelhead trout (together referred to as “salmonids”) in the Eel River watershed.

8 2. Plaintiffs challenge PG&E’s ongoing operation and maintenance of the Potter Valley  
9 Hydroelectric Project (“Potter Valley Project” or “Project”), Federal Energy Regulatory Commission  
10 (“FERC”) Project No. 77, which PG&E has operated and maintained and continues to operate and  
11 maintain in violation of Section 9 of the ESA, *id.* §§ 1538(a)(1)(B), (G), by harming and harassing,  
12 and thereby causing unauthorized “take” of, CC Chinook salmon and NC steelhead.

13 3. The Potter Valley Project consists of Scott Dam and its associated reservoir, Lake  
14 Pillsbury; Cape Horn Dam and its associated reservoir, Van Arsdale Reservoir; a diversion tunnel;  
15 and a small powerhouse located on the East Branch Russian River. Scott Dam does not have fish  
16 passage facilities and, accordingly, completely prevents migrating fish from accessing hundreds of  
17 stream-miles of high-quality habitat that these fish species used historically. Cape Horn Dam does  
18 provide some fish passage via its fishway, the longest and tallest in California, to the twelve miles of  
19 the Eel River located between the dams. However, the Cape Horn Dam fish ladder does not function  
20 during and after periods of high flows. As well, the fish passage facilities subject CC Chinook  
21 salmon and NC steelhead to increased predation of both adults attempting to pass above Cape Horn  
22 Dam to spawn, and juveniles trying to head downstream to the Pacific.

23 4. The maximum capacity of the powerhouse is a nominal 9.2 megawatts when  
24 operational. The powerhouse has not been operational for several years due to the lack of a  
25 functional transformer and it has not operated at capacity since 2002. In a March 22, 2023 letter to  
26 FERC, PG&E stated it does not plan to replace the transformer.

27 5. The Project functions as an inter-basin transfer system, diverting water from the Eel  
28 River to the Russian River across a natural divide. In so doing, it leaves less water in the Eel River

1 than would be present absent the Project. In addition to impacting the amount of water in the Eel  
2 River between and below the dams, PG&E's operation and maintenance of the Project controls the  
3 timing and temperature of the coordinated water releases to the Eel River from Scott and Cape Horn  
4 Dams.

5 6. Historically, annual averages of approximately 800,000 CC Chinook salmon and  
6 150,000 NC steelhead returned to the Eel River to spawn, making the Eel River the third most  
7 productive salmon river in California and fourth most productive in the continental United States.  
8 Due in part to PG&E's operation and maintenance of the Potter Valley Project, populations of both  
9 CC Chinook and NC steelhead in the upper Eel River have drastically declined from early 20th  
10 Century levels. For example, as a direct result of profound environmental changes, including damage  
11 done by the Project, only about 1,000 adult Chinook return to the Cape Horn fish ladder in most  
12 years now. Similarly, over the past 40 years NC steelhead have seen disastrous declines.

13 7. PG&E's operation and maintenance of the Project has caused and is causing take of  
14 CC Chinook salmon and NC steelhead by (1) maintaining water temperatures below Cape Horn and  
15 Scott dams harmful to those species; (2) operating Cape Horn Dam and its fishway in a manner that  
16 increases the risk of injury and directly causes death and injury to ESA-protected fish; (3) blocking  
17 and impeding access to salmonid spawning habitat above Cape Horn and Scott dams; and (4)  
18 inhibiting out-migration by juvenile salmonids.

19 8. PG&E's operation and maintenance of the Project causes take by failing to maintain  
20 water temperatures, both above and below Cape Horn Dam, at a level conducive to salmonid  
21 survival. In particular, high water temperatures below Scott Dam have harmed NC steelhead and  
22 reduced overall production. These high temperatures have also exacerbated predation of NC  
23 steelhead by Sacramento pikeminnow and other invasive fish.

24 9. PG&E's operation and maintenance of Cape Horn Dam is also causing death and  
25 injury to ESA-listed species. Downstream migrating juvenile salmonids have been observed to  
26 tumble over the face of Cape Horn Dam directly onto rocks below. PG&E is directing water to spill  
27 over the dam without adequate safeguards to prevent protected juvenile fish from falling to their  
28 death and injury.

1 10. PG&E is also harming and harassing the fish by operating and maintaining a fishway  
2 at Cape Horn Dam that subjects CC Chinook and NC steelhead to increased predation as they make  
3 their way both up and down the fish ladder. The Eel River channel is approximately 100 feet wide in  
4 the reach around Cape Horn Dam. But fish are restricted to a four-foot-wide channel in the fishway  
5 without natural cover, rendering them highly vulnerable to predation. Adults moving upstream face  
6 predation from otters, birds, raccoons, and bears. To pass downstream, juvenile salmonids must  
7 survive a gauntlet of predatory pikeminnow and bass above the fish ladder. Predation is not only an  
8 issue when the fishway is open; when the fishway is closed due to high flows, salmonids are  
9 vulnerable to predation as they attempt to hold above and below Cape Horn Dam.

10 11. PG&E's operation and maintenance of the Project blocks and impedes access to  
11 salmonid spawning habitat and hinders out-migration by juveniles, significantly impairing essential  
12 spawning, migrating, and breeding behavior. Scott Dam lacks any fish passage facilities and thus  
13 completely blocks salmonid access to hundreds of miles of high-quality spawning and rearing  
14 habitat above the dam. Similarly, Cape Horn Dam restricts fish passage to the remaining habitat  
15 between Cape Horn and Scott Dam, exposing juveniles and adults to predation as they navigate the  
16 longest and highest fishway in the State of California.

17 12. The Cape Horn Dam fishway's substandard design also requires its frequent closure  
18 during times when threatened fish are migrating to their spawning habitat above Cape Horn Dam.  
19 The fishway often becomes clogged with debris after periods of high flow. Furthermore, when flows  
20 exceed 6,000 cubic feet per second ("cfs"), PG&E closes the fish ladder inlet at the top of the fish  
21 ladder to one inch, effectively shutting down the fish ladder and rendering the fishway unusable.  
22 Blockages and closures of PG&E's Cape Horn fishway have repeatedly impaired migration of  
23 salmonids in recent years.

24 13. A biological opinion issued in 2002 by the National Marine Fisheries Service  
25 ("NMFS" or "Service") incorporated an incidental take statement, which authorized the incidental  
26 take of CC Chinook salmon and NC steelhead caused by some aspects of Potter Valley Project  
27 operations. But that take authorization does not currently exempt PG&E from Section 9 liability for  
28 two reasons. First, the biological opinion and incidental take statement have expired. Second, the

1 biological opinion and incidental take statement are separately invalid because the Project is causing  
2 take of salmonids in ways not anticipated by, and from activities not described in, the biological  
3 opinion. Without any take authorization, PG&E's operation and maintenance of the entire Project is  
4 causing ongoing unlawful take of CC Chinook salmon and NC steelhead.

5 14. The 2002 biological opinion found that the operation of the Project as proposed was  
6 likely to jeopardize the continued existence of CC Chinook salmon and NC steelhead. Accordingly,  
7 it required FERC and PG&E to implement a reasonable and prudent alternative to avoid jeopardy. At  
8 the time it issued the biological opinion, NMFS anticipated that the flow measures required by the  
9 reasonable and prudent alternative would avoid jeopardy and support salmonid recovery efforts.  
10 However, populations of Chinook and steelhead in the Project area have not recovered. Chinook  
11 returns to the Van Arsdale fish station at Cape Horn Dam have not been higher than 588 adults in the  
12 last decade, while steelhead returns rarely exceed a few hundred adults in even the best recent years.  
13 At such low population levels, predation, disease, and stochastic events like variations in the sex of  
14 returning adults, changes in ocean conditions, drought, storms, wildfire, earthquakes, and landslides  
15 all pose a much greater risk of jeopardizing the survival of the listed species than they would if upper  
16 Eel River salmonid populations numbered in even the tens of thousands.

17 15. Plaintiffs seek a declaration that Defendant has violated and continues to violate the  
18 ESA by taking listed CC Chinook salmon and NC steelhead without authorization. Plaintiffs also  
19 seek preliminary and permanent injunctions prohibiting Defendant from continuing to operate the  
20 Potter Valley Project in a manner that violates Section 9 of the ESA, 16 U.S.C. §§ 1538(a)(1)(B),  
21 (G), and the Act's implementing regulations.

22 **JURISDICTION AND VENUE**

23 16. This Court has jurisdiction over this matter under 28 U.S.C. § 1331 because the  
24 action arises under the laws of the United States, and under 16 U.S.C. §§ 1540(c) and (g) because the  
25 action arises under the ESA. An actual, justiciable controversy now exists between Plaintiffs and  
26 Defendant, and the requested relief is proper under 28 U.S.C. § 2201 (declaratory relief), 28 U.S.C.  
27 § 2202 (injunctive relief), and 16 U.S.C. § 1540(g) (citizen suit provision of the ESA).

1 17. Plaintiffs provided Defendant and the U.S. Secretary of Commerce with notices of  
2 intent to sue over the violations of law alleged in this Complaint more than sixty (60) days ago. *See*  
3 16 U.S.C. § 1540(g)(2). Attached as Exhibits 1 and 2 are true and correct copies of the letters sent by  
4 Plaintiffs to Secretary of Commerce Gina M. Raimondo and Brian M. Wong, PG&E’s registered  
5 agent for service of process, on April 15, 2022 and November 14, 2022.

6 18. Defendant has not remedied the violations of law complained of, and these violations  
7 of law are reasonably likely to continue to occur. To the best of Plaintiffs’ knowledge, the United  
8 States has not commenced any action to enforce the Act.

9 19. This Court has personal jurisdiction over Defendant because Defendant is domiciled  
10 in, was served with process in, or maintains its principal place of business in California.

11 20. Venue is proper in this District pursuant to 16 U.S.C. § 1540(g)(3)(A), 28 U.S.C.  
12 § 1391(b)-(c), and 28 U.S.C. § 84(a) because the ESA violations are occurring in Mendocino  
13 County, which is part of this District.

14 21. Pursuant to Civil Local Rules 3-2(c) and (f), this action is properly assigned to the  
15 Eureka-McKinleyville Division of this Court because a substantial part of the events or omissions  
16 giving rise to Plaintiffs’ claim occurred in Mendocino County.

17 **PARTIES**

18 **Plaintiffs**

19 22. Friends of the Eel River (“FOER”) is a nonprofit citizens’ group that advocates for  
20 policies and practices consistent with the protection and recovery of the Wild and Scenic Eel River’s  
21 outstanding resource values, particularly the salmonid species protected under the federal and  
22 California ESAs. Founded in 1998 and headquartered in Eureka, California, FOER is a membership  
23 organization of thousands of concerned conservationists from Humboldt, Mendocino, Sonoma,  
24 Marin, and other counties who are dedicated to protecting and restoring the Eel River watershed and  
25 its dependent fish and wildlife. FOER and its members work with, use, and enjoy the Eel River and  
26 its fisheries in the areas surrounding the Project and in Project-affected areas for scientific,  
27 recreational, aesthetic, and educational purposes, including but not limited to monitoring, research,  
28 fishing, viewing, and enjoyment of the outdoors. For example, FOER member Samantha Kannry has

1 monitored and studied Eel River salmon and steelhead and stream conditions, including in portions  
2 of the watershed affected by the Potter Valley Project, in her professional capacity for the past 13  
3 years. Ms. Kannry's published research has helped establish, among other things, that the resident  
4 rainbow trout population trapped above Scott Dam retains the genetic legacy of their ancestral  
5 steelhead, including summer steelhead. In the time that Ms. Kannry has spent on the Eel River and  
6 its tributaries, she has also developed a profound personal connection with the Eel River and its  
7 fisheries. Ms. Kannry's personal and professional interests are harmed by PG&E's violations of the  
8 ESA. FOER and its members have a direct interest in the recovery of the Eel River's threatened  
9 fisheries. FOER and its members have also invested significant time, money, and energy in  
10 advocating for the recovery of unique Eel River salmonids. FOER's and its members' interests are  
11 directly and adversely affected by PG&E's continued violations of the ESA and implementing  
12 regulations, which are causing substantial harm to ESA-listed salmonids in the Eel River watershed.  
13 FOER's and its members' injuries are directly traceable to PG&E's violations of ESA Section 9, and  
14 the relief FOER seeks in this lawsuit would redress that injury. FOER has actively participated in  
15 prior proceedings related to Defendant's license for operation of the Potter Valley Project, and  
16 FOER has repeatedly raised serious concerns with FERC regarding the inadequate design and  
17 operation of the Cape Horn Dam fish passage facility.

18 23. Pacific Coast Federation of Fishermen's Associations ("PCFFA") is a California  
19 nonprofit organization and the West Coast's largest trade organization for commercial fishing vessel  
20 owners and family commercial fishing operations. PCFFA is a federation of 17 different local  
21 commercial fishermen's port associations, regional vessel or gear type commercial boat owners, and  
22 regional fisheries marketing associations, 14 of which are located in California. Since 1976, PCFFA  
23 has advocated to ensure the rights of individual fishermen and fishing-dependent families and  
24 communities, and to fight for the long-term survival of commercial fishing as a livelihood and way  
25 of life. PCFFA has actively participated in the Project's licensing process at various levels, including  
26 reviewing and providing written comments on major scoping, draft and final National  
27 Environmental Policy Act ("NEPA") documents, providing economic and socioeconomic  
28 information, and working within the collaborative process. PCFFA's member associations



1 collectively represent nearly 800 commercial fishing families, most of whom are small and mid-  
2 sized commercial fishing boat owners and operators, many of whom make their livelihoods in whole  
3 or in part from harvesting salmon in the oceans originating from West Coast watersheds. PCFFA is  
4 funded primarily by assessments of its member associations based on the amounts of fish harvested  
5 annually by the individual members of those associations, and those member associations are also in  
6 turn dependent for their funding on their individual members' success in annual harvests, especially  
7 of fall Chinook salmon, which was once the workhorse species of all West Coast fisheries. Many  
8 commercial salmon harvests along the West Coast are influenced or managed in accordance with Eel  
9 River-origin salmon run abundance levels, and thus, the livelihoods of PCFFA's members who rely  
10 on ocean harvest of Pacific salmon are greatly affected by the health and abundance (or lack thereof)  
11 of once numerous Eel River-origin salmon. The decline of the Eel River Chinook salmon species has  
12 severely impacted PCFFA members in California by limiting commercial harvest opportunities, both  
13 through lost production of the impaired stocks and because of "weak stock management" restrictions  
14 imposed on the fishing fleet as a whole in order to protect the most impaired salmon populations  
15 when multiple populations intermingle in the ocean. These severe harvest restrictions result in tens  
16 of millions of dollars in lost salmon harvest economic opportunities. Unauthorized take caused by  
17 PG&E's operation and maintenance of the Potter Valley Project has harmed and is harming the  
18 interests of PCFFA and its members, whose livelihoods are adversely affected by the Potter Valley  
19 Project's negative effects on Eel River-origin salmon. For example, David Bitts is a member of  
20 PCFFA and a commercial fisherman based in Eureka, CA whose interests are impacted by PG&E's  
21 unauthorized take of listed salmonids on the Eel River. Mr. Bitts makes his livelihood fishing for  
22 salmon and crab and experiences decreasing salmon harvests as a result of the diminished salmon  
23 populations in the Eel River caused by PG&E's operation and maintenance of the Potter Valley  
24 Project. Additionally, PCFFA as an organization directly suffers financial harm from reduced  
25 salmon harvests because its revenues are directly related to the success of harvests by its members in  
26 West Coast fisheries. The relief sought in this action will redress PCFFA's and its members' injuries  
27 by preventing unauthorized take of listed salmonids, which in turn will contribute to the recovery of  
28 Eel River salmonid populations.



1           24.     Institute for Fisheries Resources (“IFR”) is a nonprofit, public interest, marine  
2 resources protection and conservation organization dedicated to protecting the natural resources and  
3 seafood bounty of the Pacific Ocean along the western seaboard of North America. IFR was  
4 originally founded by PCFFA in 1992 and currently is separate from but still closely affiliated with  
5 PCFFA. IFR both funds and implements PCFFA’s salmon watershed restoration priorities. Since its  
6 founding, IFR has worked on salmon habitat restoration efforts in the Eel River Basin, including the  
7 commitment of substantial staff time and financial resources over many years. Along with PCFFA,  
8 IFR has actively participated in the Project’s licensing process at various levels, including reviewing  
9 and providing written comments on major scoping, draft, and final NEPA documents; providing  
10 economic and socioeconomic information; and working within the collaborative process. IFR also  
11 runs an active salmon watershed protection and restoration program, and its members, most of whom  
12 are commercial salmon fishermen or women, also have personal as well as economic interests in the  
13 restoration of Eel River salmon. PG&E’s operation and maintenance of the Potter Valley Project has  
14 harmed and is harming the interests of IFR and of its members. For example, David Bitts, who is a  
15 member of IFR in addition to PCFFA, is harmed by PG&E’s take of Eel River salmon because of its  
16 impact on his commercial fishing interests and income, as discussed above. The relief sought in this  
17 action will redress IFR’s and its members’ injuries by preventing unauthorized take of listed  
18 salmonids and contributing to their recovery.

19           25.     California Trout (“CalTrout”) is a nonprofit organization of conservation-minded  
20 members dedicated to ensuring healthy waters and resilient wild fish by driving innovative, science-  
21 based solutions that work for the diverse interests of fish, water, and people; building partnerships in  
22 key geographies where wild fish influence the community; and using project successes to establish  
23 precedent and influence statewide policy. Founded in 1971, CalTrout is a statewide conservation  
24 organization supported by approximately 10,000 individual members and 50 affiliate local angling  
25 clubs representing approximately another 4,000 persons. CalTrout has six regional offices, one of  
26 which is located in Arcata, California. CalTrout conducts multiple restoration projects on the Eel  
27 River and is dedicated to the protection and enjoyment of the Eel River watershed and its fish  
28 populations. Members of CalTrout live and work in the vicinity of the Eel River and its tributaries

1 and use and enjoy the River and its natural and aesthetic values. For example, CalTrout members Joe  
2 Furgerson and Jeff Thompson fish for steelhead in the Eel River and hope to be able to fish for  
3 steelhead in the future with the restoration of the fishery. Both Mr. Furgerson and Mr. Thompson  
4 have plans to return to the Eel River to fish, including the reaches of the river most affected by the  
5 Potter Valley Project, and both members have developed a close, personal connection with the Eel  
6 River and its steelhead fishery. Mr. Furgerson's and Mr. Thompson's personal interests are harmed  
7 by PG&E's violations of the ESA. CalTrout and its members have a direct interest in the recovery of  
8 the Eel River's threatened fisheries. CalTrout's members' interests are directly and adversely  
9 affected by PG&E's continued violations of the ESA and implementing regulations, which are  
10 causing substantial harm to ESA-listed salmonids in the Eel River. CalTrout's members' injuries are  
11 directly traceable to PG&E's violations of ESA Section 9, and the relief CalTrout seeks in this  
12 lawsuit would redress those injuries. CalTrout has participated actively in both formal and informal  
13 proceedings related to the Project for many years, including as an applicant for the Project license.

14 26. Trout Unlimited ("TU") is North America's leading coldwater fisheries conservation  
15 organization, with more than 400 chapters and 300,000 active members and supporters dedicated to  
16 the conservation, protection, and restoration of trout and salmon fisheries and their watersheds. TU's  
17 vision is that trout and salmon will be restored throughout their native range so that the next  
18 generation can enjoy healthy fisheries in their home waters. To accomplish this vision, TU works to  
19 protect, reconnect, and restore fish populations and their habitat, and to sustain this work by building  
20 a diverse movement of businesses, people, and communities dedicated to its mission. The Eel River  
21 is one of TU's highest priorities. TU's staff and partners have invested close to \$10 million in habitat  
22 restoration throughout the Eel River basin, through dozens of separate fisheries restoration projects.  
23 TU's members include passionate anglers, fishing guides, local business owners who support the  
24 recreational fish economy, and Californians from a variety of walks of life, who live and operate in,  
25 or regularly visit, the Eel River. For example, TU member Richard Jorgensen has fished the Eel  
26 River since 1968 and plans to fish the river in the future three to four times a year. Over the years  
27 that Mr. Jorgensen has fished the river, he has witnessed the severe decline in the Eel River's  
28 steelhead populations. Mr. Jorgensen's personal interests are harmed by PG&E's violations of the

1 ESA. Many of TU’s members have worked to restore the Eel River and its tributaries and to curtail  
2 practices that harm the Eel River watershed and its threatened salmon and steelhead fisheries. TU’s  
3 members have entrenched recreational, economic, aesthetic, scientific, and cultural interests in  
4 preserving the Eel River’s threatened fisheries. These interests are directly and adversely affected by  
5 PG&E’s continued violations of the ESA and implementing regulations, which are causing  
6 substantial harm to ESA-listed salmonids in the Eel River watershed. TU’s injuries are directly  
7 traceable to PG&E’s violations of ESA Section 9, and the relief TU seeks in this lawsuit would  
8 redress that injury.

9 27. The aesthetic, recreational, professional, scientific, and other interests of Plaintiffs  
10 and their members in observing, studying, protecting, fishing for, and otherwise enjoying CC  
11 Chinook salmon and NC steelhead and their Eel River habitat are impaired by Defendant’s take of  
12 these species in violation of the ESA. By continuing to operate the Potter Valley Project in a manner  
13 that causes unlawful take of listed species, Defendant is causing Plaintiffs’ injuries. The relief sought  
14 in this lawsuit redresses the injuries to Plaintiffs’ interests.

15 28. Neither the claims asserted nor the relief requested in this action require the  
16 participation of individual members of the Plaintiff organizations.

17 **Defendant**

18 29. Defendant PG&E is an investor-owned utility incorporated and existing under the  
19 laws of the State of California whose principal office is located in San Francisco, California. PG&E  
20 is engaged in the generation, purchase, transmission, and distribution of electricity in a monopoly  
21 service territory in Northern and Central California. PG&E is the owner and operator of the Potter  
22 Valley Project pursuant to a license issued by FERC.

23 30. Defendant is a “person” under the ESA and subject to the ESA’s requirements and  
24 prohibitions.

25 **STATUTORY BACKGROUND**

26 **Endangered Species Act**

27 31. The ESA is the “most comprehensive legislation for the preservation of endangered  
28 species ever enacted by any nation.” *Tenn. Valley Auth. V. Hill*, 437 U.S. 153, 180 (1978). Its

1 primary purposes are “to provide a means whereby the ecosystems upon which endangered species  
2 and threatened species depend may be conserved” and “to provide a program for the conservation of  
3 such endangered species and threatened species.” 16 U.S.C. § 1531(b).

4 32. The ESA defines a “species” to include “any subspecies of fish or wildlife or plants,  
5 and any distinct population segment of any species of vertebrate fish or wildlife which interbreeds  
6 when mature.” *Id.* § 1532(16).

7 33. Section 4 of the ESA requires NMFS, the federal agency that administers the ESA  
8 with respect to most marine species, to list species as “endangered” or “threatened” when they meet  
9 the statutory listing criteria. *Id.* § 1533. An “endangered” species is “in danger of extinction  
10 throughout all or a significant portion of its range,” and a “threatened” species is “likely to become  
11 an endangered species within the foreseeable future throughout all or a significant portion of its  
12 range.” *Id.* § 1532(6), (20).

13 34. Once a species is listed, the ESA provides a variety of procedural and substantive  
14 protections to ensure not only the species’ survival, but also its ultimate recovery. Section 9 of the  
15 ESA makes it “unlawful for any person” to “take any [endangered] species within the United States  
16 or the territorial sea of the United States.” *Id.* § 1538(a)(1)(B). The prohibition on “take” also applies  
17 to certain threatened species, including CC Chinook salmon and NC steelhead. 50 C.F.R.  
18 §§ 223.102, 223.203; *see* 16 U.S.C. § 1533(d) (authorizing Secretary of Commerce to promulgate  
19 regulations extending Section 9 “take” prohibitions to threatened species). It is also unlawful “for  
20 any person” to “cause to be committed” any offense described in Section 9, including take of  
21 endangered species, or a violation of regulations pertaining to threatened and endangered species. 16  
22 U.S.C. § 1538(g).

23 35. Congress intended the term “take” to be defined in the “broadest possible manner to  
24 include every conceivable way” in which a person could harm or kill wildlife. S. Rep. No. 93-307,  
25 93d Cong., 1st Sess. 1, reprinted in 1973 USCAAN 2989, 2995. The term “take” means “to harass,  
26 harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or attempt to engage in any such  
27 conduct.” 16 U.S.C. § 1532(19).

28

1           36.     The term “person” includes “an individual, corporation, partnership, trust,  
2 association, or any other private entity.” *Id.* § 1532(13).

3           37.     Department of Commerce regulations define “harm” as “an act which actually kills or  
4 injures fish or wildlife,” including “significant habitat modification or degradation which actually  
5 kills or injures fish or wildlife by significantly impairing essential behavioral patterns, including  
6 breeding, spawning, rearing, migrating, feeding, or sheltering.” 50 C.F.R. § 222.102. Harm may be  
7 direct or indirect and need not be purposeful. *Babbitt v. Sweet Home Chapter of Communities for a*  
8 *Great Oregon*, 515 U.S. 687 (1995); see Endangered and Threatened Wildlife and Plants; Definition  
9 of “Harm”, 64 Fed. Reg. 60727, 60729 (Nov. 8, 1999) (noting that Department of Commerce’s  
10 definition of “harm” is consistent with Court’s holding in *Sweet Home*).

11           38.     Significant habitat modification also may constitute harm if it results in death or  
12 injury to wildlife. *Sweet Home*, 515 U.S. at 708. The Department of Commerce’s final rule on the  
13 definition of “harm” presents a non-exclusive list of habitat-modifying activities that could fall  
14 within the definition. 64 Fed. Reg. at 60730. These activities include “[c]onstructing or maintaining  
15 barriers that eliminate or impede a listed species’ access to habitat or ability to migrate and  
16 constructing or operating dams or water diversion structures with inadequate fish screens or fish  
17 passage facilities in a listed species’ habitat.” *Id.*

18           39.     While the Department of Commerce has not specifically defined “harass,” the  
19 Department has issued guidance on the term. The guidance defines “harass” to mean “an intentional  
20 or negligent act or omission which creates the likelihood of injury to wildlife by annoying it to such  
21 an extent as to significantly disrupt normal behavioral patterns which include, but are not limited to,  
22 breeding, feeding, or sheltering.” Nat’l Marine Fisheries Serv., 02-110-19, *Interim Guidance on the*  
23 *Endangered Species Act Term “Harass”* 2 (Dec. 21, 2016). Injury is “likely” if there is a  
24 “reasonable connection between the annoyance (taking into account its magnitude, duration,  
25 frequency, and scope) and the behavioral response on the part of the animal(s) exposed to the  
26 disturbance that would be expected to result in the creation or increased risk of injury to the animal.”  
27 *Id.* To qualify as a “significant disruption” the annoyance must cause “a change in the animal’s  
28 behavior (breeding, feeding, sheltering, resting, migrating, etc.) that could reasonably be expected,

1 alone or in concert with other factors, to create or increase risk of injury to an ESA-listed animal  
2 when added to the condition of the exposed animal before the disruption occurred.” *Id.*

3 40. The District Court for the Eastern District of California explained the difference  
4 between “harm” and “harass” as follows: “ ‘Harm’ . . . ‘may include significant habitat modification  
5 or degradation which actually kills or injures fish or wildlife by significantly impairing essential  
6 behavior patterns . . . .’ Harassment on the other hand occurs when an act annoys fish to the point  
7 where they significantly modify their behavior.” *Westlands Water Dist. v. U.S. Dept. of Int.*, 275 F.  
8 Supp. 2d 1157, 1225 (E.D. Cal. 2002), *rev’d in part on other grounds and remanded*, 376 F.3d 853  
9 (9th Cir. 2004). Thus, while both harm and harassment include significant disruption or impairment  
10 of behavior patterns such as breeding or migrating, harm requires the disruption to cause reasonably  
11 certain death or injury, while harassment requires only that the disruption create or increase the risk  
12 of injury to the animal.

13 41. Section 7(a)(2) of the ESA imposes on federal agencies the ongoing substantive duty  
14 to “insure that any action authorized, funded, or carried out by such agency . . . is not likely to  
15 jeopardize the continued existence” of any listed species or destroy or adversely modify a listed  
16 species’ designated critical habitat. 16 U.S.C. § 1536(a)(2).

17 42. To gain assistance in complying with Section (7)(a)(2)’s mandate to avoid causing  
18 jeopardy to any listed species, an agency must consult with NMFS whenever its actions “may affect”  
19 a listed anadromous salmonid species. 50 C.F.R. § 402.14(a); *see also* 16 U.S.C. § 1536(a)(2). “The  
20 purpose of consultation is to obtain the expert opinion of wildlife agencies to determine whether the  
21 action is likely to jeopardize a listed species or adversely modify its critical habitat and, if so, to  
22 identify reasonable and prudent alternatives that will avoid the action’s unfavorable impacts.” *Karuk*  
23 *Tribe v. U.S. Forest Serv.*, 681 F.3d 1006, 1020 (9th Cir. 2012) (citing *Turtle Island Restoration*  
24 *Network v. NMFS*, 340 F.3d 969, 974 (9th Cir. 2003)). If the agency determines its actions “may  
25 affect” listed species or critical habitat, “formal consultation is [generally] required.” 50 C.F.R.  
26 § 402.14(a).

27 43. At the close of formal consultation, NMFS must issue a biological opinion that  
28 advises whether the action is “likely to jeopardize the continued existence of the listed species or

1 result in the destruction or adverse modification of critical habitat.” 50 C.F.R. § 402.14(g)(4). If  
2 NMFS concludes that the action is likely to jeopardize a listed species or destroy or adversely  
3 modify its critical habitat, it must identify and describe any reasonable and prudent alternative to the  
4 proposed action that it believes would avoid jeopardy and adverse modification. 16 U.S.C.  
5 § 1536(b)(3)(A). If NMFS determines that either the proposed action or a reasonable and prudent  
6 alternative is not likely to jeopardize a listed species or adversely modify its critical habitat, it may  
7 issue an incidental take statement for any take of a listed species that occurs as an incidental  
8 consequence of the action. 50 C.F.R. § 402.14(i). When an incidental take statement is issued, “[a]ny  
9 taking that is in compliance with the terms and conditions specified in a written [incidental take]  
10 statement . . . shall not be considered to be a prohibited taking of the species concerned.” 16 U.S.C.  
11 § 1536(o)(2).

12 44. Even if a federal agency has previously initiated and completed formal consultation,  
13 the agency is required to reinitiate consultation when “new information reveals effects of the action  
14 that may affect listed species or critical habitat in a manner or to an extent not previously  
15 considered.” 50 C.F.R. § 402.16(a)(2). “When reinitiation of consultation is required, the original  
16 biological opinion loses its validity, as does its accompanying incidental take statement, which then  
17 no longer shields the action agency from penalties for takings.” *Ctr. for Biological Diversity v. U.S.*  
18 *Bureau of Land Mgmt.*, 698 F.3d 1101, 1108 (9th Cir. 2012).

19 45. The citizen suit provision of the ESA authorizes any person to bring a civil suit  
20 against any person who is alleged to be in violation of the Act or any regulation issued under the  
21 Act. 16 U.S.C. § 1540(g)(1). A plaintiff can seek to enjoin both present activities that constitute an  
22 ongoing take and future activities that are reasonably likely to result in take. *See Natl. Wildlife Fedn.*  
23 *V. Burlington N. R.R., Inc.*, 23 F.3d 1508, 1511 (9th Cir. 1994).

24 46. Where a violation of the Section 9 “take” prohibition is alleged, a Court must issue an  
25 injunction if a plaintiff establishes by a preponderance of the evidence that there is “a reasonably  
26 certain threat of imminent harm to a protected species.” *Defenders of Wildlife v. Bernal*, 204 F.3d  
27 920, 925 (9th Cir. 2000). Because Congress has accorded the protection of endangered species the  
28



1 highest priorities, courts do not have the discretion to withhold injunctive relief where it is necessary  
2 to prevent an imminent and likely violation of the ESA. *Tennessee Valley Auth.*, 737 U.S. at 184.

3 **FACTUAL BACKGROUND**

4 47. CC Chinook salmon (*Oncorhynchus tshawytscha*) and NC steelhead trout  
5 (*Oncorhynchus mykiss*) are both ESA-listed threatened species that spawn, rear, migrate, feed, and  
6 shelter in the Eel River and that have been, and are being, taken by Defendant’s operation and  
7 maintenance of the Potter Valley Project.

8 **California Coastal Chinook salmon**

9 48. CC Chinook salmon make up an evolutionarily significant unit of Chinook salmon.  
10 Chinook salmon are a salmonid species that historically ranged throughout much of the North  
11 American and northeast Asian Pacific coast—from the Ventura River in southern California north to  
12 Point Hope, Alaska, and in Asia from Hokkaido, Japan to the Anadyr River in Russia. Today,  
13 however, Chinook Salmon are the least abundant Pacific salmon in North America.

14 49. Chinook salmon are the largest sized member of genus *Oncorhynchus*, with some  
15 adults weighing more than 120 pounds. Chinook salmon are anadromous; they are born in  
16 freshwater and spend most of their lives in saltwater, but return to freshwater to spawn. There are  
17 two types of Chinook—ocean-type fish and river-type fish—reflecting their two main life history  
18 strategies. Chinook salmon in the Eel River today are ocean-type, fall-run fish that spawn shortly  
19 after entering freshwater and whose offspring emigrate back to the ocean shortly after emergence  
20 from their nest and spawning beds. Though the timing can vary, adult Chinook salmon enter the Eel  
21 River as early as August, with spawning occurring from October through February. The loss of the  
22 historic spring-run or river-type Chinook life history has robbed Eel River populations and the entire  
23 CC Chinook evolutionarily significant unit of critical genetic diversity.

24 50. CC Chinook salmon population numbers today have declined to levels far below  
25 recovery targets, approaching or exceeding high-risk depensation thresholds (i.e., reductions in egg  
26 survival and productivity) due to shrinking effective spawning populations. Their shrinking  
27 population has made Chinook vulnerable to earthquakes, landslides, droughts, and flooding,  
28 resulting in reductions in genetic diversity, altered breeding structure, and shifts in population

1 dynamics. Recent studies estimate that abundance of CC Chinook has decreased by more than 90%  
2 from historical numbers. Eel River runs of Chinook salmon historically numbered as many as  
3 800,000 fish per year, declining to approximately 1,000 fish per year in the 1990s and 2000s.

4 51. When the Department of Commerce first proposed extending ESA Section 9  
5 protections to CC Chinook salmon in 2001, it cited past and ongoing freshwater and estuarine habitat  
6 destruction and hydropower development, among other causes, as primary sources of population  
7 depletion. Anthropogenic watershed disturbances—including disturbances caused by water  
8 diversions and dam building—have contributed to the loss and degradation of CC Chinook salmon  
9 essential habitat. This loss of habitat is a primary cause of the high and increasing risk of extinction  
10 faced by CC Chinook salmon in the Eel River.

11 52. Sacramento pikeminnow, which were introduced illegally into the Eel River in 1979  
12 via PG&E's Lake Pillsbury reservoir and spread throughout much of the watershed, also have  
13 suppressed CC Chinook salmon populations through predation on juveniles throughout the  
14 watershed.

15 53. Natural cold-water flows, unimpeded by dams, remain *the* major requirement for  
16 Chinook embryo and juvenile survival.

17 54. CC Chinook salmon in the Eel River have been listed as threatened, and therefore  
18 protected, under the ESA since September 1999. Endangered and Threatened Species; Threatened  
19 Status for Two Chinook Salmon Evolutionarily Significant Units (ESUs) in California, 65 Fed. Reg.  
20 50,394 (September 16, 1999) (to be codified at 50 C.F.R. pt. 223); 50 C.F.R. § 223.102. Their  
21 designated critical habitat includes the Eel River below Scott dam. 50 C.F.R. § 226.211(f)(5).

#### 22 **Northern California steelhead trout**

23 55. In North America, steelhead are the anadromous form of rainbow trout  
24 (*Onchorynchus mykiss*), a salmonid species found in coastal streams from Alaska south to  
25 northwestern Mexico. Steelhead are divided into two reproductive ecotypes. Stream maturing  
26 steelhead require several months to mature and spawn after they enter fresh water. Ocean maturing  
27 steelhead enter fresh water in a sexually mature state and spawn shortly after river entry. These two  
28

1 types of steelhead are more commonly referred to by their season of freshwater entry—summer  
2 (stream maturing) and winter steelhead (ocean maturing).

3 56. The Eel River is the most important river for NC steelhead in the region and  
4 historically supported between 100,000 and 150,000 winter and summer steelhead combined. Over  
5 the past 40 years, steelhead have also seen disastrous declines in the Eel River. Returns of NC  
6 steelhead to the Van Arsdale Fisheries Station at Cape Horn Dam over the last two decades of  
7 PG&E's management tell a dismal story to fisheries biologists, with annual counts now in the mere  
8 hundreds or even dozens of adults.

9 57. The Potter Valley Project has been a major cause of harm and injury to steelhead in  
10 the Eel River. NMFS noted in 2002, for example, that the inadequate fish ladder at Cape Horn Dam  
11 has historically impacted fishery resources on the Eel River.

12 58. This fish ladder continues to cause injury and death to threatened NC steelhead and  
13 CC Chinook salmon alike.

14 59. Scott Dam has no fish passage facilities and therefore blocks all fish access above the  
15 dam. Studies suggest that potential steelhead habitat upstream of Scott Dam ranges from 180 to 287  
16 stream-miles. Indeed, approximately 99% of the habitat of what was the southernmost run of  
17 summer steelhead on Earth is now blocked behind Scott Dam.

18 60. NC steelhead have been listed as threatened, and therefore protected, under the ESA  
19 since June 2000. Endangered and Threatened Species; Threatened Status of One Steelhead  
20 Evolutionary Significant Unite (ESU) in California, 65 Fed. Reg. 36,074 (June 7, 2000) (to be  
21 codified at 50 C.F.R. part 223); 50 C.F.R. § 223.102. Their designated critical habitat includes the  
22 Eel River below Cape Horn dam. 50 C.F.R. § 226.211(g)(5).

### 23 **The Potter Valley Project**

24 61. The Potter Valley Project is a small hydropower project, which consists of Scott Dam  
25 and Lake Pillsbury, Cape Horn Dam and Van Arsdale Reservoir (including associated fish passage  
26 facilities), a diversion tunnel, and a powerhouse located on the East Branch Russian River. The  
27 project functions as an inter-basin transfer system, diverting water from the Upper Eel River into the  
28 Russian River across a natural watershed divide.

1           62.     The lower dam, Cape Horn Dam, was constructed in 1907. It now impounds less than  
2 400 acre-feet of water in its Van Arsdale Reservoir.

3           63.     Cape Horn Dam includes fish passage facilities: a fish ladder and a structure known  
4 as a “fish hotel.” Typically, a fish ladder, also known as a fishway, provides a method for migrating  
5 fish to travel past dams or other river obstructions. The Cape Horn Dam fish ladder contains a series  
6 of ascending pools that are reached by swimming against a stream of water. When a fish ladder  
7 functions properly, fish can leap through the cascade of rushing water, rest in a pool, and then repeat  
8 the process until they are out of the fish ladder. The “fish hotel” is simply the entrance to the fish  
9 ladder, constructed to help fish better find and climb the ladder.

10          64.     Due to the design, operation, and maintenance of the Cape Horn Dam fish passage  
11 facilities, the fish ladder subjects CC Chinook and NC steelhead to increased predation as they make  
12 their way both up and down the fish ladder. The Eel River channel is approximately 100 feet wide in  
13 the reach around Cape Horn Dam. But in the fishway, fish that can exceed two feet in length are  
14 restricted to a four-foot-wide channel without natural cover, rendering them more vulnerable to  
15 predation. Predators observed feeding in or from the fishway include Sacramento pikeminnow,  
16 smallmouth bass, otter, bald eagle, raccoon, and black bear.

17          65.     Predation is not just an issue when the fishway is open; when the fishway is closed  
18 during the migration period, salmonids are also vulnerable to predation as they attempt to hold above  
19 and below Cape Horn Dam.

20          66.     PG&E’s operation and maintenance of the Cape Horn fishway also delays or prevents  
21 migration in several ways. The fishway’s substandard design renders it unusable at times when fish  
22 are attempting to climb past Cape Horn Dam. PG&E routinely closes the inlet valve at the top of fish  
23 ladder to one inch when flows exceed 6,000 cfs. When PG&E does so, fish that are migrating  
24 through the fish ladder must turn around and in some cases are trapped in the fish ladder until flows  
25 drop below 6,000 cfs. When flows are forecast to exceed 10,000 cfs, PG&E fully closes the fishway  
26 at the bottom, and at flows exceeding 15,000 cfs, these closures are extended for longer periods  
27 because the fish ladder becomes clogged with debris. In both cases, PG&E does not open the fish  
28 ladder until blockages have been cleared and flows have reduced to below 2,500 cfs.

1           67.       Additionally, blockages of PG&E’s Cape Horn fishway have repeatedly impaired and  
2 will continue to impair migration of salmonids. At flows greater than 15,000 cfs the fishway can  
3 become clogged with rocks and other debris, requiring the blockage to be cleared before the fishway  
4 can be reopened. Blockages and extended closures of the Cape Horn fishway have repeatedly  
5 impaired migration of salmonids in recent years due to PG&E’s failed response to blockages. In  
6 2019, as noted by the United States Fish and Wildlife Service (“USFWS”) in its June 29, 2020 letter  
7 to FERC, the fishway was closed over 60% of the time or 36 days between mid-January and mid-  
8 March, which falls completely within the migration period of steelhead. A true and correct copy of  
9 USFWS’ June 29, 2020 letter is attached as Exhibit 3.

10           68.       Importantly, NMFS recently noted in an October 13, 2022 letter to FERC that the  
11 Cape Horn Dam fish passage facility does not meet current fish passage standards. A true and  
12 correct copy of NMFS’ October 13, 2022 letter is attached as Exhibit 4. NMFS also emphasized that  
13 even with new doors PG&E has installed on the fish hotel in an attempt to prevent blockages inside  
14 that structure, the fish ladder will still be vulnerable to blockage and inefficient for operations and  
15 maintenance. *See* Exhibit 4. Even if the fish hotel doors work perfectly, they cannot prevent  
16 continued blockage of the ladder above.

17           69.       The upper dam, Scott Dam, is located twelve miles upstream from the Cape Horn  
18 Dam and was constructed in 1921. Scott Dam impounds the Lake Pillsbury reservoir, which can  
19 hold approximately 70,000 ac-ft of usable water. The 130-foot high Scott Dam does not include any  
20 fish passage facilities. It thus completely blocks migrating salmonids from access to all fish habitat  
21 upstream of the dam. As a result, anadromous salmon and steelhead runs have been extirpated above  
22 Scott Dam.

23           70.       The Project began operating in 1922. Since that time, the Project has regulated Eel  
24 River flows below the dams, and PG&E and its predecessors have diverted water to the Russian  
25 River Basin for hydroelectric power generation and uses by the Potter Valley Irrigation District. The  
26 regulated flows on the Eel River are significantly lower and less variable than unimpaired flows,  
27 leading to temperatures likely to impair salmonid production and other impacts to river conditions,  
28 which also negatively affect the success of salmon and steelhead migration.

1           71.     FERC transferred the license for the Potter Valley Project to PG&E in 1930, and  
2 FERC renewed that license by order issued on October 4, 1983. At the time of the renewal, not  
3 enough information was available regarding the Project’s impact on Eel River species, prompting  
4 FERC to require PG&E to conduct a study to determine the effects of the Project’s flow regime on  
5 salmonids. After the conclusion of consultation with FERC on the state of threatened salmonids in  
6 the Eel River, NMFS issued a biological opinion in 2002 that concluded the proposed operation of  
7 the Project was likely to jeopardize the continued existence of CC Chinook salmon and NC  
8 steelhead and that it was likely to adversely modify designated critical habitat. Accordingly, the  
9 biological opinion identified a reasonable and prudent alternative for Project operation, which, at  
10 that time, NMFS anticipated would avoid jeopardizing listed species and avoid adverse modification  
11 to their habitat. FERC amended the 1983 license on January 28, 2004, implementing the 2002  
12 biological opinion by incorporating the terms of the reasonable and prudent alternative. The terms  
13 and conditions of the license specify the minimum flows for the Eel River below each of the  
14 Project’s dams and the timing for such flows, as well as other operating requirements. By its own  
15 terms, the existing license expired on April 14, 2022.

16           72.     The license for the Potter Valley Project contains several reopener provisions through  
17 which FERC retained the authority to modify the terms and conditions of the license for the  
18 conservation and protection of fish and their habitat. Article 46 of the license provides that FERC  
19 “reserves the right to require changes in the project works or operations that may be necessary to  
20 protect and enhance [environmental] resources and values,” and in Article 52, FERC “reserves the  
21 right to require changes” to the license to implement the 2002 biological opinion.

22           73.     In anticipation of the license expiration, on April 6, 2017, PG&E filed a Notice of  
23 Intent to file an application for a new license and pre-application document. On January 25, 2019,  
24 PG&E filed a Notice of Withdrawal of Notice of Intent to File License Application and Pre-  
25 Application Document, indicating it was discontinuing its efforts to relicense the Project. On March  
26 1, 2019, FERC issued a Notice Soliciting Applications for interested applicants other than PG&E to  
27 take over operation of the Project.

28

1           74.     In response to FERC’s solicitation, on June 18, 2019, parties that were acknowledged  
2 proxies for a new, intended regional entity submitted a notice of intent to file an application for a  
3 new license. Ultimately, the new regional entity was not formed and did not complete the final  
4 license application.

5           75.     On April 14, 2022, the license and biological opinion expired by their own terms.

6           76.     On April 21, 2022, FERC issued a Notice of Authorization for Continued Project  
7 Operation which granted PG&E an annual license to operate the Project that will automatically  
8 renew on April 14th each year until a new license is issued or the Project is otherwise disposed of.  
9 The annual license allows PG&E to operate the Project pursuant to the same terms and conditions as  
10 the expired license.

11           77.     On May 11, 2022, FERC sent PG&E a letter requesting that PG&E provide a plan  
12 and schedule for filing a surrender application to address decommissioning of the Project. In this  
13 letter, FERC acknowledged its authority to “reopen and amend the license” to include protective  
14 measures for listed fish.

15           78.     On May 20, 2022, Plaintiffs filed a petition for rehearing, reconsideration, and/or  
16 discretionary action regarding FERC’s April 21, 2022 Notice of Authorization for Continued Project  
17 Operation issuing an annual license for the Project. In the petition, Plaintiffs alleged that FERC  
18 violated Section 7 of the ESA by issuing the annual license without meeting its obligations to ensure  
19 that the operation of the Project is consistent with the conservation of listed species and is not likely  
20 to jeopardize the continued existence of listed species or destroy or adversely modify their  
21 designated habitat. Additionally, Plaintiffs argued that FERC did not initiate or reinstate the  
22 consultation with NMFS regarding the Project’s effects on listed species and their designated critical  
23 habitat as required by the ESA, despite the fact the Project may affect listed species in a manner or  
24 by activities not previously considered. Plaintiffs also alleged that FERC violated and is violating  
25 Section 9 of the ESA by issuing the annual license which authorizes an activity that unlawfully takes  
26 listed species. To remedy these alleged violations, Plaintiffs requested that FERC reconsider its  
27 issuance of the annual license, amend the annual license to ensure that the Project is operated in a  
28



1 manner consistent with the conservation of listed species, and reinitiate the necessary consultation  
2 with NMFS regarding the Project's impacts on listed species and their habitat.

3 79. The petition for rehearing was denied by operation of law on June 21, 2022, and  
4 FERC issued an order addressing the arguments and sustaining the denial of the petition on July 28,  
5 2022. FERC's main stated reason for denying rehearing is that it lacks the discretion to modify the  
6 terms and conditions applicable to the annual license, an assertion not supported by the law.  
7 Petitioners sought judicial review of the Notice of Annual License and the Order Addressing  
8 Arguments Raised on Rehearing by timely filing and serving petitions for review in the Ninth  
9 Circuit on August 15, 2022 (Case No. 22-70182) and September 23, 2022 (Case No. 22-1589). *See*  
10 16 U.S.C. § 825l(b).

11 80. On July 8, 2022, PG&E submitted a plan and schedule for PG&E's surrender  
12 application for the Project. That plan and schedule states that PG&E will file a surrender application  
13 and decommissioning plan 30 months after FERC approves its plan and schedule. On July 29, 2022  
14 FERC approved PG&E's proposed schedule, noting that it expects PG&E to file a surrender  
15 application within 30 months, or by January 2025.

16 81. On November 16, 2022, FERC issued a Notice of Proceeding to Consider Reopening  
17 License and Soliciting Comments, Motions to Intervene, and Protests for the Potter Valley Project.  
18 According to this notice, after opportunity for a hearing FERC "may find cause to reopen the annual  
19 license terms to require changes in the Project works or operations that may be necessary to protect  
20 federally listed species."

21 82. On December 9, 2022, Plaintiffs, as Movant-Intervenors, filed a Motion to Intervene  
22 in FERC's proceeding to consider reopening the Project annual license. Plaintiffs asserted that FERC  
23 must reopen and amend the annual license to bring it into compliance with the ESA. Plaintiffs  
24 further reiterated that FERC has continued to violate Section 7 of the ESA by failing to ensure that  
25 operation of the Project is consistent with the conservation of CC Chinook salmon and NC steelhead  
26 and by failing to reinitiate consultation with NMFS regarding the Project's effects on listed species.

27 83. On December 16, 2022, PG&E filed a protest and comments opposing the proceeding  
28 to consider reopening the license and asking FERC to terminate the proceeding. PG&E argued that

1 there is no cause to reopen the annual license terms because the Project is not causing unanticipated,  
2 serious impacts on fishery resources, “and none of the reasons for reinitiating consultation under  
3 section 7 of the Endangered Species Act[] are present.” PG&E also asserted that it is in the process  
4 of surrendering the license for the Project, which will entail additional reviews and assessments by  
5 FERC, NMFS, and other resource agencies, making it “premature” to engage in any process  
6 concerning the Project.

#### 7 **NMFS’s 2002 Biological Opinion**

8 84. At the time of the 1983 relicensing proceeding, FERC did not have adequate  
9 information to determine the Project’s effects on fish and wildlife. Accordingly, FERC required  
10 PG&E to conduct a 10-year study to determine the effects of the license’s flow regime on salmonid  
11 fishery resources in the Upper Eel River and East Branch of the Russian River. FERC further  
12 required PG&E, in consultation with the California Department of Fish and Game (now the  
13 Department of Fish and Wildlife) and the United States Fish and Wildlife Service, to develop  
14 “recommendations for modifications in the flow release schedule or project structures and operations  
15 necessary to protect and maintain the fishery resources,” based on the results of the study. FERC,  
16 *Opinion and Order Denying Appeal, Approving Settlement, and Issuing New License (Major)*, 25  
17 F.E.R.C. ¶ 61,010 (Oct. 4, 1983), Doc. Accession No. 19831007-0243, Art. 39.

18 85. After completion of the study and 18 months of collaboration with the fisheries  
19 agencies, PG&E developed a proposal for a new flow regime. FERC selected this proposal as the  
20 preferred alternative in a Draft Environmental Impact Statement released in February 1999.

21 86. In March 1999, at NMFS’s request, FERC initiated consultation with NMFS  
22 regarding the impact of the preferred alternative/PG&E’s proposed flow regime on ESA-listed  
23 salmonid species. The consultation process concluded in November 2002 when NMFS issued a  
24 biological opinion.

25 87. NMFS determined in its biological opinion that the preferred alternative’s proposed  
26 flow regime was likely to jeopardize the continued existence of CC Chinook salmon and NC  
27 steelhead and that it was likely to adversely modify designated critical habitat.

28

1           88.     In light of this finding, NMFS developed a reasonable and prudent alternative to the  
2 proposed action, which modified the Project’s flow regime by requiring that more water be released  
3 from the dams and adjusting the timing of flow releases to better mimic the natural hydrograph. The  
4 components of the reasonable and prudent alternative include minimum flows of the Eel River below  
5 Cape Horn Dam, minimum flows of the Eel River below Scott Dam, minimum flows to the East  
6 Branch Russian River, an amount of water (“blockwater”) reserved for release at the discretion of  
7 the fisheries agencies each year, and various non-flow provisions.

8           89.     At the time that NMFS issued the biological opinion, it expected that implementation  
9 of this reasonable and prudent alternative would avoid jeopardy to ESA-listed salmonids and would  
10 avoid adverse modification of their habitat.

11           90.     Accordingly, NMFS issued an incidental take statement which provided, “taking that  
12 is incidental to and not intended as part of the agency action is not considered to be prohibited taking  
13 under the ESA provided that such taking is in compliance with the terms and conditions of this  
14 Incidental Take Statement.” The incidental take statement noted that it was applicable to “all  
15 activities related to the PG&E Potter Valley Project (P-77-110) pursuant to the reasonable and  
16 prudent alternative described in the biological opinion,” but that it “does not cover activities that are  
17 not described and assessed within the [o]pinion.”

18           91.     Cape Horn Dam, its fishway, the associated infrastructure, fishway maintenance, and  
19 flow operations to achieve fish passage at the passage facility are not described within the  
20 Description of the Proposed Action in the biological opinion. Nor are their effects to listed species  
21 assessed within the biological opinion. By its terms, the incidental take statement does not exempt  
22 activity that falls outside of the actions allowed under the reasonable and prudent alternative, and the  
23 reasonable and prudent alternative does not contemplate any activity associated with the operation of  
24 Cape Horn Dam or the Cape Horn fishway.

25           92.     FERC incorporated the reasonable and prudent alternative into the terms and  
26 conditions of the existing project license through amendments adopted on January 28, 2004. FERC,  
27 *Order Amending License*, 106 FERC ¶ 61,065 (Jan. 28, 2004).

28

1 93. Contrary to NMFS’s expectations, implementation of the reasonable and prudent  
2 alternative has not provided the expected benefits to ESA-listed salmonids.

3 **PG&E’s ESA Violations**

4 94. PG&E’s operation and maintenance of the Potter Valley Project has caused and is  
5 causing take in violation of the ESA by continually and unlawfully harming and harassing CC  
6 Chinook salmon and NC steelhead.

7 95. PG&E’s operation and maintenance of the Project causes take by failing to maintain  
8 water temperatures, both above and below Cape Horn Dam, at a level conducive to salmonid  
9 survival. Warm water released from Lake Pillsbury has harmed NC steelhead and reduced overall  
10 steelhead production below Scott Dam. This warm water has also exacerbated predation of NC  
11 steelhead by Sacramento pikeminnow and other invasive warm-water fish. If Scott Dam did not  
12 block access to hundreds of miles of high-quality habitat in the upper reaches of the Eel River, NC  
13 steelhead would be able to migrate upstream to cold-water spawning habitat where they have a  
14 comparative advantage over pikeminnow and other warm-water predators.

15 96. Water temperatures above 18.0°C (64.4° F) constitute high-risk conditions for  
16 steelhead trout, but in nine of the last eleven years, Scott Dam releases have exceeded 20.0°C (68.0°  
17 F). Temperatures have exceeded 23.0°C (73.4° F) in five of those years, levels which NMFS  
18 characterized in its October 2022 letter to FERC as “intolerable” and “potentially lethal.” *See*  
19 Exhibit 4. Under PG&E’s operation, the Project has not consistently provided thermally accessible  
20 summer rearing habitat needed for increased steelhead trout production.

21 97. CC Chinook have similar water temperature tolerances as NC steelhead. PG&E has  
22 harmed and harassed CC Chinook by releasing warm water from Lake Pillsbury, thereby increasing  
23 the risk of predation and causing other warm water-triggered adverse effects to CC Chinook.

24 98. Because of PG&E’s release of warm water from Lake Pillsbury, the reasonable and  
25 prudent alternative is not providing the benefits to NC steelhead and CC Chinook salmon anticipated  
26 in the biological opinion.

27  
28

1 99. PG&E is harming and harassing CC Chinook and NC steelhead by causing water to  
2 spill over Cape Horn dam without adequate protections to prevent juvenile fish from falling to their  
3 death and injury as they tumble over the face of the dam directly onto rocks below.

4 100. PG&E is also harming and harassing the fish by operating and maintaining a fishway  
5 at Cape Horn dam that subjects CC Chinook and NC steelhead to increased predation as they hold at  
6 entrances to the fish ladder and make their way both up and down the fish ladder. In the Cape Horn  
7 Dam fish ladder, fish are confined to a narrow four-foot-wide channel in the fishway without a  
8 natural cover, making them more vulnerable to predation.

9 101. Additionally, due to the fishway's design and PG&E's operation and maintenance of  
10 the fishway, it becomes unusable and is closed at times during the migration period, making  
11 salmonids more vulnerable to predation as they attempt to hold above and below Cape Horn Dam.

12 102. Moreover, PG&E's operation and maintenance of the Project blocks and impedes  
13 access to spawning habitat and hinders out-migration by juveniles, significantly impairing essential  
14 spawning, migrating, and breeding behavior. Scott Dam lacks any fish passage facilities and thus  
15 completely blocks access to hundreds of stream-miles of high quality spawning and rearing habitat  
16 above the dam. Similarly, Cape Horn Dam restricts fish passage to the remaining habitat between  
17 Cape Horn and Scott dams, providing only a limited corridor for migration.

18 103. By operating and maintaining structures that block or impede migration and access to  
19 habitat, PG&E is significantly impairing essential behavior patterns including spawning, rearing, and  
20 migrating. In so doing, PG&E is killing and injuring ESA-listed threatened fish, and increasing their  
21 risk of injury and extinction in various ways. For example, by delaying listed salmonids from  
22 reaching their spawning grounds, PG&E exposes them to increased predation and other stochastic  
23 events that can cause death or injury before they lay their eggs. PG&E also is creating ecological  
24 traps that lead protected fish to make maladaptive habitat choices. Threatened fish may lay their eggs  
25 in suboptimal locations, for example, which leads to lower species survival. Likewise, the Cape  
26 Horn fishway creates an ecological trap by impeding downstream passage of out-migrating juveniles  
27 that are trying to reach the ocean.

28 104. None of the take that is occurring is authorized.

1           105. The plain language of the 2002 biological opinion and incidental take statement  
2 shows that NMFS’s take authorization terminated upon the expiration of the existing license term  
3 (i.e., April 14, 2022). When describing the proposed action being evaluated, the biological opinion  
4 states that “[u]pon closure of this FERC proceeding, the flow regime and modifications that are  
5 selected will remain in effect for the next twenty years, until 2022.” Likewise, when describing the  
6 effects of the proposed action, the biological opinion notes “that the license for the Project will be in  
7 effect for the next twenty years until 2022 when the license expires.” These statements indicate that  
8 NMFS considered impacts to salmonids and salmonid habitat only through 2022 and did not  
9 authorize take beyond the life of the license then currently in place. Accordingly, as of April 14,  
10 2022, any authorization for take in the 2002 biological opinion expired.

11           106. On March 16, 2022, NMFS sent FERC a letter confirming that the biological opinion  
12 expired on April 14, 2022. NMFS noted that “[t]he 20-year duration of the proposed action is a  
13 central component of the [biological] opinion.” A true and correct copy of NMFS’ March 16, 2022  
14 letter is attached as Exhibit 5.

15           107. Additionally, PG&E’s implementation of the reasonable and prudent alternative is  
16 causing take in ways not anticipated in the biological opinion, which separately invalidates the  
17 biological opinion and triggers the requirement for FERC to reinitiate consultation with NMFS  
18 under the ESA. *Center for Biological Diversity v. U.S. Bureau of Land Mgt.*, 698 F.3d 1101, 1108  
19 (9th Cir. 2012) (“When reinitiation of consultation is required, the original biological opinion loses  
20 its validity, as does its accompanying incidental statement . . .”).

21           108. The reasonable and prudent alternative’s summer flow component, in particular, is  
22 not providing the anticipated benefits to ESA-listed salmonids due to dangerously high water  
23 temperatures and the resultant predation of threatened fish by pikeminnow and other invasive  
24 species. The biological opinion evaluated changes to the flow regime with the objective of  
25 mimicking the natural hydrograph of the Eel River; but critically, the biological opinion never  
26 evaluated or considered the effects of water temperatures below Scott Dam on threatened fish. The  
27 biological opinion did not anticipate take of listed fish caused by high water temperatures below  
28 Scott Dam, and thus the incidental take statement does not exempt this take.

1 109. The incidental take statement also never authorized take caused by PG&E’s operation  
2 and maintenance of the Cape Horn Dam and associated fishway. The incidental take statement does  
3 not exempt activity that falls outside of the actions allowed under the reasonable and prudent  
4 alternative, and the reasonable and prudent alternative does not contemplate any activity associated  
5 with operation of Cape Horn Dam or the Cape Horn fishway. PG&E’s operation and maintenance of  
6 Cape Horn Dam and the fishway are therefore not exempt from Section 9 take liability.

7 110. NMFS further corroborated in its March 16, 2022 letter that the biological opinion did  
8 not describe or assess the effects of Cape Horn Dam, the associated infrastructure, fishway  
9 maintenance, and flow operations to achieve fish passage at the passage facility. *See* Exhibit 5. Thus,  
10 the biological opinion did not authorize incidental take resulting from these effects (e.g., delayed or  
11 blocked migration and increased predation of ESA-listed salmonids caused by the configuration and  
12 full operation of the Cape Horn Dam fish passage facility).

13 111. On April 15, 2022, Plaintiffs sent a letter to the Secretary of Commerce and  
14 Defendant PG&E requesting immediate action to remedy Defendant’s past and ongoing violations of  
15 the ESA resulting from continued take of ESA-listed fish species despite the expiration of NMFS’s  
16 incidental take statement. Exhibit 1. On November 11, 2022, Plaintiffs sent an amended notice of  
17 intent to initiate litigation under the ESA to the Secretary of Commerce and Defendant PG&E.  
18 Exhibit 2. These letters constituted formal notice of intent to initiate litigation under the citizen suit  
19 provision of the ESA. *See* 16 U.S.C. § 1540(g)(2).

20 112. In a May 11, 2023 letter, NMFS reiterated to FERC that “the Cape Horn Dam Fish  
21 Passage Facility currently does not have ESA take coverage and is likely non-compliant with NMFS  
22 fish passage guidelines.” A true and correct copy of NMFS’ May 11, 2023 letter is attached as  
23 Exhibit 6.

24 **CAUSE OF ACTION**

25 **Violation of Section 9 of the ESA**

26 113. Plaintiffs re-allege and incorporate, as if fully set forth herein, each and every  
27 allegation in the preceding paragraphs of this Complaint.  
28



1 114. Defendant’s operation and maintenance of the Potter Valley Project harms, harasses,  
2 and otherwise causes “take” of CC Chinook salmon and NC steelhead in the Eel River watershed, in  
3 violation of the ESA, 16 U.S.C. §§ 1538(a)(1)(B), 1538(a)(1)(G); 50 C.F.R. § 223.203.

4 115. Defendant’s operation and maintenance of the Project is causing take of CC Chinook  
5 salmon and NC steelhead by

- 6 a. maintaining water temperatures below Cape Horn and Scott dams that are harmful to  
7 threatened salmonids;
- 8 b. operating and maintaining Cape Horn Dam and fishway in a manner that increases  
9 the risk of injury and directly causes death and injury to ESA-protected fish; and
- 10 c. blocking and impeding access to spawning habitat above Cape Horn and Scott dams  
11 and inhibiting out-migration by juveniles.

12 116. None of the take that is occurring is authorized.

- 13 a. The incidental take statement issued in conjunction with the 2002 biological opinion  
14 expired on its own terms, is no longer operative, and accordingly does not authorize  
15 any of the ongoing take described above.
- 16 b. Additionally, even if it had not expired, the biological opinion and incidental take  
17 statement are separately invalid because the Project is causing take in ways not  
18 considered and not anticipated in the biological opinion. The 2002 biological opinion  
19 never evaluated or considered the effects of water temperatures below Scott Dam on  
20 threatened fish. Moreover, the reasonable and prudent alternative summer flow  
21 component is not providing the anticipated benefits to ESA-listed salmonids due to  
22 unanticipated and dangerously high water temperatures and the resultant increased  
23 predation of threatened fish by pikeminnow and other invasive species. As a result,  
24 reinitiation of consultation under the ESA is required, and the biological opinion and  
25 incidental take statement are no longer valid. *Center for Biological Diversity*, 698  
26 F.3d at 1108.
- 27 c. Finally, PG&E’s actions are causing take in ways that were never covered by the  
28 incidental take statement. Specifically, the incidental take statement never covered

1 PG&E's operation of Cape Horn Dam and its associated fishway, and any resulting  
2 take from operation and maintenance of Cape Horn Dam and its fishway is unlawful.

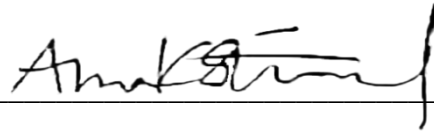
3 **PRAYER FOR RELIEF**

4 For the reasons stated above, Plaintiff respectfully requests an order from this Court:

- 5 1. Declaring that Defendant has violated and continues to violate the ESA by taking  
6 listed CC Chinook salmon and NC steelhead without authorization;
- 7 2. Enjoining Defendant from operating and maintaining the Potter Valley Project in a  
8 manner that violates Section 9 of the ESA, 16 U.S.C. §§ 1538(a)(1)(B) and (G), and  
9 the Act's implementing regulations;
- 10 3. Awarding Plaintiffs their costs and attorneys' fees pursuant to 16 U.S.C. §  
11 1540(g)(4); and
- 12 4. Granting such other relief as may be just and proper.

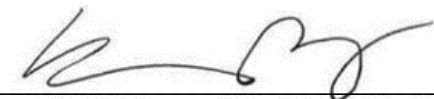
13  
14 Dated this 16th day of May, 2023.

Respectfully submitted,

15   
16 \_\_\_\_\_

17 ANNA K. STIMMEL (State Bar No. 322916)  
18 KATRINA A. TOMAS (State Bar No. 329803)  
19 EARTHJUSTICE  
20 50 California Street, Suite 500  
21 San Francisco, California 94111  
22 Telephone: (415) 217-2000  
23 Facsimile: (415) 217-2040  
24 astimmel@earthjustice.org  
25 ktomas@earthjustice.org

26 Attorneys for Plaintiffs PACIFIC COAST  
27 FEDERATION OF FISHERMEN'S  
28 ASSOCIATIONS and INSTITUTE FOR  
FISHERIES RESOURCES

  
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KEVIN P. BUNDY (State Bar No. 231686)

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MATTHEW S. McKERLEY (State Bar No.  
332160)  
SHUTE, MIHALY & WEINBERGER LLP  
396 Hayes Street  
San Francisco, California 94102  
Telephone: (415) 552-7272  
Facsimile: (415) 552-5816  
bundy@smwlaw.com  
mmckerley@smwlaw.com

Attorneys for Plaintiffs FRIENDS OF THE EEL  
RIVER, CALIFORNIA TROUT, and TROUT  
UNLIMITED