

195 FERC ¶ 61,112  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;  
David Rosner, Lindsay S. See,  
Judy W. Chang, and David LaCerte.

Pacific Gas and Electric Company

Project No. 77-334

ORDER GRANTING TEMPORARY VARIANCE OF FLOW REQUIREMENTS  
UNDER LICENSE ARTICLE 52

(Issued May 14, 2026)

1. On January 30, 2026, and supplemented on February 19, 2026, Pacific Gas and Electric Company (PG&E), licensee for the 9.4-megawatt (MW) Potter Valley Hydroelectric Project No. 77,<sup>1</sup> requested that the Commission approve a temporary variance of the flow release requirements set forth in license Article 52 of the project license.<sup>2</sup> Generally, the 2026 Variance Request seeks to (1) reduce minimum flow releases to the Eel River below one of the project dams and (2) reduce minimum flow releases to the East Branch Russian River below the project powerhouse to manage the project's reduced Lake Pillsbury reservoir storage and ensure adequate flows necessary for the protection of federally listed species. The project is located on the East Branch Russian River and Eel River in Lake and Mendocino Counties, California. For the reasons discussed below, we grant the temporary variance, subject to conditions.

**I. Background**

2. On October 4, 1983, the Commission issued a new license for the continued operation and maintenance of the Potter Valley Hydroelectric Project. The uppermost

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<sup>1</sup> *Pac. Gas & Elec. Co.*, 25 FERC ¶ 61,010 (1983). The license expired on April 14, 2022, and PG&E continues to operate the project under an annual license. See Apr. 21, 2022 Notice of Authorization for Continued Project Operation, Docket No. P-77-298. PG&E submitted its final application to surrender the license on July 25, 2025. See PG&E July 25, 2025 Final Surrender Application, Docket No. P-77-332.

<sup>2</sup> PG&E Jan. 30, 2026 Variance Request (2026 Variance Request). Over the last decade, PG&E has requested, and the Commission has approved, similar variances on a near-annual basis. See, e.g., *Pac. Gas & Elec. Co.*, 192 FERC ¶ 61,108 (2025).

project work is Scott Dam, which impounds Lake Pillsbury on the Eel River. Scott Dam has no fish passage. Below Scott Dam, the Eel River flows approximately 12 miles into Van Arsdale Reservoir, impounded by Cape Horn Dam, also a project work. Cape Horn Dam has upstream and downstream fish passage facilities, enabling salmonid species to use the reach of the Eel River between Cape Horn and Scott Dams.

3. At the Van Arsdale Reservoir, water is either released from or spilled over Cape Horn Dam, from which it then flows northwest in the Eel River, or is conveyed south by tunnel and penstock to the Potter Valley Powerhouse. Water discharged from the powerhouse is released into the East Branch Russian River, which flows into the mainstem Russian River. The project's releases from the Potter Valley Powerhouse are the source of most of the water in the East Branch Russian River. The U.S. Army Corps of Engineers' (Corps) Coyote Dam and its impoundment, Lake Mendocino, which provides water for municipal, irrigation, and recreational uses, are approximately 15 miles downstream of the Potter Valley Powerhouse on the Russian River. Both the Eel River and Russian River ultimately flow to the Pacific Ocean.

4. The California coastal distinct population segment Chinook salmon (*Oncorhynchus tshawytscha*) and northern California distinct population segment steelhead trout (*O. mykiss*) migrate the length of the Eel River and spawn in the mainstem and tributaries up to the reach between Cape Horn and Scott Dams. Both species are federally listed as threatened<sup>3</sup> under the Endangered Species Act (ESA).<sup>4</sup>

5. Irrigated agriculture, including orchard crops and vineyards, has been an important component of the East Branch Russian River's upper basin economy since water diversions began in 1912. Surface and subsurface water sources are used extensively for irrigation, and some of the water discharged from the Potter Valley Powerhouse into the East Branch Russian River satisfies a contract between PG&E and the Potter Valley Irrigation District (Irrigation District).

**A. License Article 52**

6. In 1998, PG&E completed a 10-year study of flow-release effects on the salmonid fishery in the Eel River and East Branch Russian River and water temperature

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<sup>3</sup> 65 Fed. Reg. 36074 (June 7, 2000), listing the northern California distinct population segment steelhead trout as a threatened species; 64 Fed. Reg. 50394 (Sep. 16, 1999), listing the California coastal distinct population segment Chinook salmon as a threatened species.

<sup>4</sup> 16 U.S.C. §§ 1531 *et seq.*

downstream of Scott Dam. Thereafter, on January 28, 2004, it sought, and the Commission subsequently approved, a license amendment adding Article 52 to the license.<sup>5</sup> Article 52 requires PG&E to comply with the reasonable and prudent alternative (RPA)<sup>6</sup> provided in the National Marine Fisheries Service's (NMFS) 2002 Biological Opinion<sup>7</sup> to prevent jeopardy to the threatened salmonids in the Eel River Basin.<sup>8</sup> The RPA establishes a complex regime of minimum flows into the Eel River and East Branch Russian River, as well as caps on supplementary releases to the Irrigation District, based on a variety of factors which rely on cumulative unimpaired inflow to Lake Pillsbury and associated water-year classifications unique to the project.<sup>9</sup>

7. PG&E is required to release minimum flows into the Eel River below Scott Dam, based on the water-year classifications defined in Article 52, as follows:<sup>10</sup>

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<sup>5</sup> *Pac. Gas & Elec. Co.*, 106 FERC ¶ 61,065 (2004 License Amendment), *reh'g denied*, 107 FERC ¶ 61,232 (2004).

<sup>6</sup> *See* 2004 License Amendment, 106 FERC ¶ 61,065 at PP 102-103 & ordering para. (E). *See id.* at app. A (attaching the RPA).

<sup>7</sup> *See* NMFS Nov. 26, 2002 Final Biological Opinion, Docket No. P-77-100.

<sup>8</sup> 2004 License Amendment, 106 FERC ¶ 61,065 at P 1.

<sup>9</sup> Under normal definitions, a water-year begins on October 1 and ends on September 30 the following year. To determine the water-year classification for a given river basin, the estimated total unimpaired runoff for the water-year is compared to historical data and then classified as very dry, dry, normal/average, wet, or very wet. The total estimated unimpaired runoff includes the prior year's water-year index, current runoff, and forecasted runoff in the watershed. Water-year classifications in California are based on data prepared by the California Department of Water Resources; in contrast, water-year classifications for the project are defined in the license for each flow compliance point based on cumulative inflow into Lake Pillsbury rather than total unimpaired runoff. The pertinent compliance points are PG&E's flow gages in the Eel River below Scott Dam (gage E-2), the Eel River below Cape Horn Dam (gage E-11), and the East Branch Russian River (gage E-16).

<sup>10</sup> PG&E is also required to release minimum flows from Cape Horn Diversion Dam into the Eel River. Those minimum flow requirements are not the subject of this variance request.

**Minimum Water Flow (cfs) into the Eel River below Scott Dam<sup>11</sup>**

	Dec. 1 - May 31	June 1 - Nov. 30
Normal Water-Year	100	60
Dry Water-Year	40	40
Critical Water-Year	20	20

8. Additionally, the RPA requires PG&E to release minimum flows from the Potter Valley Powerhouse into the East Branch Russian River, based on the water-year classification, as follows:<sup>12</sup>

**Minimum Water Flow (cfs) into East Branch Russian River**

	April 15 - May 14	May 15 - Sept. 15	Sept. 16 - April 14
Normal Water-Year	35	75	35
Dry Water-Year	25	25	35
Critical Water-Year	5	5	5

9. Finally, the RPA sets maximum release levels. Specifically, the maximum release requirement provides that PG&E must not, from April 15 to October 15, regardless of the type of water-year, release flows to the Irrigation District through the Potter Valley Powerhouse that exceed 50 cubic feet per second (cfs).<sup>13</sup> If cumulative inflow into Lake Pillsbury is less than 25,000 acre-feet on April 1, this release shall not exceed 25 cfs during the following period from April 15 through October 15. Further, PG&E must reserve 2,500 acre-feet of water (block water) for release to the Eel River for the benefit of fishery resources at the discretion of resource agencies, including NMFS, California Department of Fish and Wildlife (California DFW), the Round Valley Indian Tribes, and the U.S. Fish and Wildlife Service (FWS), each water year.<sup>14</sup>

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<sup>11</sup> RPA Condition B.1.

<sup>12</sup> RPA Condition C.1.

<sup>13</sup> RPA Condition E.4.

<sup>14</sup> RPA Condition D.1; *Pac. Gas & Elec. Co.*, 116 FERC ¶ 62,158 (2006).

## **B. Dam Safety**

### **1. Seismic Risk**

10. PG&E is currently undertaking a multi-year engineering reevaluation of Scott Dam to assess its condition and expected performance under seismic and flood loading conditions.<sup>15</sup> The results of a preliminary seismic stability analysis<sup>16</sup> suggested that the dam might become structurally unstable when subjected to updated seismic loading conditions<sup>17</sup> and that the potential for seismic instability is lower when the water level in Lake Pillsbury is at or below the spillway crest elevation.<sup>18</sup> The Commission's Division of Dam Safety and Inspections (D2SI) agreed with PG&E's findings.<sup>19</sup>

11. Based on the results of the seismic risk analysis, PG&E identified two interim risk-reduction measures to implement until more detailed studies are complete:

- (1) establish a ten-foot restriction on the maximum reservoir operating level; and
- (2) leave Scott Dam's spillway gates open year-round to maintain the water level in Lake Pillsbury at or below spillway crest elevation. PG&E states that these interim measures

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<sup>15</sup> The engineering reevaluation is intended to address multiple recommendations from PG&E's five-year Part 12D safety inspection reports for Scott Dam, performed by its independent consultants. *See* PG&E Mar. 17, 2023 Filing, Docket No. P-77-001.

<sup>16</sup> PG&E performed the preliminary seismic stability analysis at the outset of its engineering reevaluation to gain an initial understanding of the expected performance of the dam and a preview of possible conclusions for the later, more sophisticated analyses that will be completed at the end of the engineering reevaluation.

<sup>17</sup> These updated seismic loading conditions were developed as part of PG&E's deterministic seismic hazard study. *See* PG&E Dec. 20, 2021 Deterministic Seismic Hazard and Regional Seismicity Reports, Docket No. P-77-001.

<sup>18</sup> PG&E completed this preliminary analysis in March 2023, using existing engineering data at the outset of its reevaluation process to develop an initial understanding of the expected performance of the dam under updated seismic loading conditions. *See* PG&E Mar. 17, 2023 Filing, Docket No. P-77-001.

<sup>19</sup> Commission Staff April 28, 2023 Letter, Docket No. P-77-000. D2SI generally agreed with PG&E's finding of greater potential seismic instability and requested that PG&E perform additional analyses to refine the estimated risk potential and clarify aspects of the proposed interim risk reduction measures. PG&E submitted the results of the reevaluation to the Commission on December 3, 2024, and this submittal is under Commission review. The most recent Part 12D safety inspection occurred in 2025.

would reduce the maximum available reservoir storage volume by approximately 18,200 acre-feet, which would reduce the storage pressure behind the dam and, in turn, reduce the potential seismic risk.<sup>20</sup>

## 2. Bank Sloughing

12. Prior to the initiation of the seismic risk study, on April 3, 2017, PG&E submitted to the Commission a technical memorandum evaluating potential dam safety issues and operating constraints regarding operating the Lake Pillsbury reservoir at a lower level.<sup>21</sup> The technical memorandum found that a high potential of bank sloughing<sup>22</sup> exists at pool levels between 5,000 and 12,000 acre-feet, and that the degree of bank sloughing depends on the drawdown rate of the reservoir. In order to mitigate the risk of bank sloughing, PG&E used 12,000 acre-feet as the planning minimum storage target for water management of Lake Pillsbury. If bank sloughing were to occur regularly, it could impair PG&E's ability to operate the low-level outlet<sup>23</sup> by inundating the outlet with large amounts of sediment that would be difficult to remove and therefore could affect the stability of the dam abutments on Scott Dam.

### C. Lake Pillsbury Coldwater Pool

13. Because surface water is exposed to sunlight and higher ambient temperatures during warmer months, it warms faster than deeper water. As the upper water layer of the Lake Pillsbury reservoir warms, a thermal gradient is created and a coldwater pool forms at the lake bottom. As the cooler water is removed and the storage level decreases, the upper, warmer water increasingly mixes with the cooler deeper water, further

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<sup>20</sup> 2026 Variance Request at 1.

<sup>21</sup> PG&E Apr. 3, 2017 Filing, Docket No. P-77-001. The technical memorandum was prepared as a condition of the Commission's July 15, 2016 order, which required PG&E to "determine the current low level operation constraints at Lake Pillsbury (beyond operator recommendations) that support a low reservoir elevation level." *Pac. Gas & Elec. Co.*, 156 FERC ¶ 62,042, at ordering para. (B) (2016).

<sup>22</sup> Bank sloughing is the vertical or angled collapse of a riverbank, in which the face of the bank slides or rotates away, often leaving a concave scar or scarp in the bank and a clump of sediment at the base.

<sup>23</sup> A low-level outlet is an opening in a dam, typically at the bottom, designed to release impounded water in a safe and controlled manner from the reservoir through a conduit to a discharge point. Low-level outlets can be utilized to draw down the reservoir and manage sediment build up.

diminishing the coldwater pool. Thus, the seismic risk reduction measure of a lower reservoir elevation exacerbates this warming because there is less water available compared to normal reservoir capacity. If the coldwater pool is depleted or warmed early in the water year, it cannot be restored until the following winter or spring, when the seasonal patterns cause lower air and water temperatures and inflows to the lake become cooler. Therefore, due to the reduced storage in Lake Pillsbury, the coldwater pool would be smaller and would deplete faster under typical, license-required flows.

14. PG&E states that it has conducted a detailed water temperature analysis and determined that there are limited options for mitigating high water temperatures in the releases from Lake Pillsbury in the late-summer and early-fall months other than drawing cooler water from the coldwater pool and releasing it downstream of Scott Dam.<sup>24</sup> PG&E explains that its operational experience and recent model analyses demonstrate that reducing the minimum flows to the East Branch Russian River is an effective strategy to maintain Lake Pillsbury's coldwater pool and provide cooler flow releases from Scott Dam into the Eel River provided that the reductions occur starting in mid-summer as opposed to late summer or early fall.<sup>25</sup> For example, monitoring data shows a 1.6° Celsius (C) temperature reduction below water temperature trends following the implementation of a July 2022 minimum flow variance.<sup>26</sup> Conversely, when the minimum flow variance was implemented in October 2023, monitoring data shows that water temperatures had exceeded temperature trends by more than 2.5° C above temperature targets in 2023, despite being a much wetter water-year.<sup>27</sup>

#### **D. 2026 Water-Year Classification**

15. The 2026 water-year is on track for a normal water-year classification for the Eel River below Scott Dam and the East Branch Russian River compliance locations, and a wet water-year classification in the Eel River at the Cape Horn Dam compliance

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<sup>24</sup> 2026 Variance Request at 15. Options are limited by the relatively shallow reservoir (small, deep-water volume), minimal spring/summer reservoir inflow that is typically warm, and summer withdrawals that are from a low-level outlet that mixes the warm, upper layers of the reservoir throughout the water column. *Id.*

<sup>25</sup> PG&E Feb. 19, 2026 Supplemental Filing at 8-9 (2026 Supplemental Filing).

<sup>26</sup> 2026 Variance Request at 16.

<sup>27</sup> *Id.* at 18.

location.<sup>28</sup> Consequently, absent a variance, PG&E would be required to release 100 cfs into the Eel River below Scott Dam from December 1 through May 31 (at gage E-2), and then 60 cfs from June 1 through November 30. PG&E would also be required to release 35 cfs into the East Branch Russian River from September 16 through May 14 (at gage E-16), and then 75 cfs from May 15 through September 15.

## II. Licensee's Request

16. PG&E requests a temporary variance to its flow release requirements, as set by the water-year classifications under Article 52 of its license. PG&E proposes utilizing a flexible flow release approach to adjusting reservoir releases to provide adequate flows and cooler water temperatures in the Eel River downstream of Scott Dam for listed salmonids. It would manage releases from Lake Pillsbury in consultation with NMFS, California DFW, the Round Valley Indian Tribes, and FWS (collectively, the agencies). PG&E states that the proposed variance is necessary due to the reduced water capacity in Lake Pillsbury as a result of its seismic-risk-related storage restriction, which has reduced the available water stores by approximately 18,200 acre-feet.<sup>29</sup> PG&E has an objective of maintaining 25,000 acre-feet in Lake Pillsbury on October 1, 2026, which it calculates will allow it to meet its dam safety obligations and to preserve the coldwater pool to ensure cooler water release temperatures for the protection of threatened salmonids in the Eel River.<sup>30</sup>

17. Specifically, the variance would begin from the date of approval and end when Lake Pillsbury storage exceeds 36,000 acre-feet after September 30, 2026.<sup>31</sup> If Scott Dam is spilling from April 15 through June 30, PG&E proposes to continue following license-based flow releases to the East Branch Russian River (as measured at

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<sup>28</sup> Water year classifications are determined by cumulative inflow into Lake Pillsbury Reservoir as of May 15 each year. However, as of April 1, 2026, the cumulative inflow in Lake Pillsbury is 332,984 acre-feet, which is above the cumulative inflow threshold for a wet water year classification for the Eel River below Cape Horn Dam (E-11), and above the threshold for a normal water year classification for the Eel River below Scott Dam (E-2) and for the East Branch Russian River (E-16) despite being before May 15. *See* Commission Staff Apr. 8, 2026 Memorandum, Docket No. P-77-334.

<sup>29</sup> 2026 Variance Request at 1.

<sup>30</sup> *Id.* at 2.

<sup>31</sup> *Id.* at 7.

gage E-16) according to the water year classification until Scott Dam stops spilling.<sup>32</sup> Once Scott Dam stops spilling sometime between April 15 and June 30,<sup>33</sup> PG&E proposes to set the initial flow release into the East Branch Russian River at 25 cfs. PG&E will then adjust releases to the East Branch Russian River between 5 and 25 cfs based on Lake Pillsbury storage forecasts using available hydrologic forecasting tools and runoff forecasts, historical water temperature data and water temperature modeling, and other flexible water management criteria.<sup>34</sup> Adjustments made to the East Branch Russian River releases would be made in consultation with the Drought Working Group.<sup>35</sup>

18. Between July 1 and September 30, PG&E proposes adjusting flow releases to the East Branch Russian River in the 5 to 25 cfs range to avoid lowering Lake Pillsbury storage below the minimum pool threshold of 12,000 acre-feet to reduce the risk of bank sloughing, and to preserve the coldwater pool and protect dam safety.<sup>36</sup> If Lake Pillsbury storage is below the 36,000 acre-feet storage target after September 30, releases to the East Branch Russian River would be limited to 5 cfs. When Lake Pillsbury storage gets above 36,000 acre-feet after September 30, the variance would end and PG&E would release flows as required under its license.

19. In addition, PG&E requests to reclassify the water-year classification of the Eel River below Scott Dam as critical during the variance, so that the required minimum flow compliance requirement would be 20 cfs at the E-2 gage, compared to the normal water-year requirement of 100 cfs from December 1 through May 31 and 60 cfs from

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<sup>32</sup> *Id.*

<sup>33</sup> When Scott Dam stops spilling is variable each year and determined by inflows; Scott Dam typically stops spilling sometime after May 15.

<sup>34</sup> 2026 Variance Request at 7-9.

<sup>35</sup> PG&E established the Drought Working Group in connection to its request for a temporary flow variance in 2015. *See Pac. Gas & Elec. Co.*, 151 FERC ¶ 62,116, at P 4 (2015). PG&E later defined the members of the group as California DFW, FWS, California Trout, Friends of the Eel River, NMFS, Irrigation District, the Round Valley Indian Tribes, Sonoma County Water Agency, Russian River Flood Control District, and California State Water Resources Control Board (California Water Board). *See* PG&E Aug. 26, 2022 Filing, Docket No. P-77-001.

<sup>36</sup> If 2026 is determined to be a critical water year classification, releases as measured at the E-16 gage would be kept at 5 cfs, per license requirements.

June 1 through November 30.<sup>37</sup> PG&E does not propose to change the minimum flow requirements into the Eel River below the Cape Horn Dam during the variance.<sup>38</sup> PG&E also requests that minimum flow compliance be assessed on a 24-hour average of the flow measurements compared to current instantaneous measurement compliance.<sup>39</sup>

20. As part of the variance request, PG&E proposes to extend the block water allocation period from ending at the end of the water year (the end of September 2026) to ending at the end of the calendar year, permitting the agencies additional time to retain and use the allocation in Lake Pillsbury rather than releasing it by the end of the water year. PG&E would meet with the Drought Working Group monthly, or more frequently as needed, during the variance to discuss Lake Pillsbury storage levels, forecasts, release flow rates, water temperature profiles, release temperatures, and estimated temperature projections.<sup>40</sup> PG&E states that it would submit monthly storage reports to the Commission during the variance period.

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<sup>37</sup> While the minimum flow requirement of the Eel River below Scott Dam would be 20 cfs, the actual total releases at this compliance point (the E-2 gage) would be greater because: (1) the opening of the low-level outlet of Scott Dam cannot release less than approximately 35 cfs due to its physical configuration; and (2) flows measured at the E-2 gage include the releases needed to meet the requirements for the Eel River below Cape Horn Dam downstream, the flows released to meet diversions downstream planned for release to the East Branch Russian River, and any water diverted to meet Irrigation District contract deliveries.

<sup>38</sup> The water-year classification determinations made for the East Branch Russian River and for the Eel River below the Cape Horn Dam would remain as defined within Article 52. Consistent with a wet water-year classification in the Eel River below Cape Horn Dam, minimum flows would be based on the Eel River Index Flow and summer base flows in defined in the RPA from NMFS's 2002 Biological Opinion.

<sup>39</sup> Using an average to determine compliance allows PG&E to forego releasing an additional buffer flow to maintain minimum flow compliance in the event of short flow interruptions. This approach is intended to conserve limited water resources by not releasing additional flows above the absolute minimum.

<sup>40</sup> Flow adjustments would be informed by regression-based analysis guidance curves, observed water temperatures for releases, and vertical temperature profiles collected within Lake Pillsbury. 2026 Variance Request at 9.

### **III. Pre-Filing Consultation**

21. PG&E developed its proposal in collaboration with FWS, NMFS, California DFW, and the Round Valley Indian Tribes.<sup>41</sup> When PG&E provided the final variance draft to the agencies on January 23, 2026 for review, all of the agencies and the Round Valley Indian Tribes responded that they had no additional comments.<sup>42</sup> Further, PG&E held a meeting about the proposed variance with local stakeholders, including the Irrigation District, City of Ukiah, Russian River Flood Control, Sonoma Water Agency, and Mendocino Inland Water and Power Commission on January 30, 2026. No comments were received at the meeting from the stakeholders.<sup>43</sup>

### **IV. Public Notice, Interventions, and Comments**

22. On February 20, 2026, the Commission issued public notice of PG&E's application, establishing March 23, 2026 as the deadline for filing comments, interventions, and protests.<sup>44</sup> The California DFW and California State Water Resources Control Board (California Water Board) filed timely notices of intervention.<sup>45</sup> Timely, unopposed motions to intervene were filed by: the Irrigation District; Mendocino County Russian River Flood Control and Water Conservation Improvement District; Pacific Coast Federation of Fisherman's Associations and the Institute for Fisheries Resources; Trout Unlimited and California Trout; Friends of the Eel River, Northern California Council Fly Fishers International, Native Fish Society, Redwood Chapter Sierra Club, American Whitewater, California Sportfishing Protection Alliance, and Save California Salmon (jointly, Friends of the Eel River); the Round Valley Indian Tribes; the Wiyot

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<sup>41</sup> *Id.* at 12.

<sup>42</sup> 2026 Variance Request at Enclosure 2.

<sup>43</sup> 2026 Supplemental Filing at 2.

<sup>44</sup> 91 Fed. Reg. 9244 (Feb. 25, 2026).

<sup>45</sup> Timely notices of intervention are granted by operation of Rule 214(a)(2) of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214(a)(2) (2025).

Tribe; Mendocino County Farm Bureau; and the City of Ukiah.<sup>46</sup> Several individuals also filed timely comments in opposition to the proposed variance.<sup>47</sup>

23. Several intervenors—including the California DFW, City of Ukiah, Friends of the Eel River, Round Valley Indian Tribes, and the Wiyot Tribe—support the proposed variance to address the current project constraints and protect Eel River Chinook salmon and steelhead.<sup>48</sup> They ask that the Commission approve the variance as quickly as possible to ensure the variance is effective at balancing water supply demands<sup>49</sup> and to avoid a scenario where delayed variance implementation results in an abrupt drastic reduction in flows<sup>50</sup> or late summer water temperatures exceeding the lethal threshold for rearing steelhead trout.<sup>51</sup> Friends of the Eel River, California DFW, and Pacific Coast Federation of Fishermen’s Associations and the Institute for Fisheries Resources assert that the temporary variance is necessary to protect the coldwater resource in Lake Pillsbury and prevent unpermitted take of listed species and irreversible damage to project infrastructure.<sup>52</sup> Friends of the Eel River also states that high water temperatures

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<sup>46</sup> Timely, unopposed motions to intervene are granted by operation of Rule 214(c)(1) of the Commission’s Rules of Practice and Procedure. *Id.* § 385.214(c)(1).

<sup>47</sup> Several commenters also discussed their positions on the proposed decommissioning and surrender of the Potter Valley Project. Those comments are outside of the scope of this proceeding. Comments relating to the proposed Potter Valley Project decommissioning and surrender should be submitted to Docket No. P-77-332.

<sup>48</sup> Trout Unlimited and California Trout Comments at 4; California DFW Comments at 2; Pacific Coast Federation of Fisherman’s Associations and the Institute for Fisheries Resources Motion to Intervene at 5; Friends of the Eel River Comments at 2; City of Ukiah Comments at 6; Round Valley Indian Tribes Comments at 4; and Wiyot Tribe Comments at 1.

<sup>49</sup> Wiyot Tribe Comments at 1; Trout Unlimited and California Trout Comments at 4; Friends of the Eel River Comments at 25 and 33; and City of Ukiah Comments at 1.

<sup>50</sup> City of Ukiah Comments at 6.

<sup>51</sup> California DFW Comments at 2-4.

<sup>52</sup> Pacific Coast Federation of Fishermen’s Associations and the Institute for Fisheries Resources Comments at 1; Friends of the Eel River Comments at 25; and California DFW Comments at 4.

increase steelhead's vulnerability to competition and predation risk posed by Sacramento pikeminnow.<sup>53</sup>

24. The Irrigation District and several individuals express concern about the impact of the proposed variance on water rights.<sup>54</sup> Despite its concerns about water rights, the Irrigation District supports a timely approval of the proposed variance so that severe restrictions in releases to the East Branch Russian River may be avoided through earlier implementation of the variance.<sup>55</sup>

25. The individual commenters, mostly residents of Potter Valley, assert that the proposed releases to the East Branch Russian River are too severe and that agricultural, domestic, and commercial water users of the Russian River watershed would suffer.<sup>56</sup> Several individuals claim that the requested variance places too much importance on the maintenance of the Eel River water temperatures and flows for the benefit of fisheries, and they request that the proposed variance be modified such that releases to the East Branch Russian River be no less than 20 to 25 cfs.<sup>57</sup> Eugene McFadden and Steven Elliot allege that the seismic concerns regarding Scott Dam seem either exaggerated or lacking

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<sup>53</sup> Friends of the Eel River Comments at 20; and Pacific Coast Federation of Fishermen's Associations and the Institute for Fisheries Resources Motion to Intervene at 3- 4 (noting that the Eel River is California's fourth largest salmon-producing river and that its ecological decline contributes to job losses in fishing communities and associated economies).

<sup>54</sup> Irrigation District Comments at 2; Eugene McFadden Comments at 1; Angle Lynn Slater Comments at 1; William Monlux Comments at 1; and Steven Elliot Comments at 1.

<sup>55</sup> Irrigation District Comments at 3.

<sup>56</sup> Wilma Keeney Comments at 1; Nancy Todd Comments at 1; William Monlux Comments at 1; Marilyn Ogle Comments at 1; George Rau Comments at 1; Maria Ghisletta-Harvey Comments at 1; and Angle Lynn Slater Comments at 1.

<sup>57</sup> Steven Elliot Comments at 1; Gloria Lee Todd Comments at 1; George Rau Comments at 1; Angle Lynn Slater Comments at 1 (also requesting that a Mendocino County Inland Water and Power Commission mitigation plan be implemented before any reduction in flows below 25 cfs); Marilyn Ogle Comments at 1; and Nancy Todd Comments at 1.

in public evidence, and request that more testing and analysis be done before the variance is considered.<sup>58</sup>

## V. Discussion

26. PG&E determined, and D2SI concurred, that the seismic instability of Scott Dam may be greater than previously understood. Given PG&E's self-imposed storage restriction mitigation, granting the requested temporary variance would permit PG&E to manage the water stored in Lake Pillsbury more effectively. The proposed variance does not represent a departure from the parameters and analysis of NMFS's RPA or license Article 52. Rather, it would represent a temporary operational shift from the water release requirements of a normal water-year to those of a dry/critical water-year in the East Branch Russian River and a critical water-year in the Eel River below Scott Dam.

27. Timely implementation of the temporary variance preserves the largest amount of storage possible to maintain the coldwater pool to manage water temperatures in the Eel River while also decreasing the likelihood of stringent release reductions to the East Branch Russian River being required earlier in the summer. In addition, the temporary variance would reduce the likelihood of harm to listed salmonids in the Eel River by reducing the number of days in which water temperatures downstream of Scott Dam exceed harmful thresholds. Specifically, by conserving a larger volume of water in Lake Pillsbury, PG&E would have a greater amount of coldwater storage to release into the Eel River, thereby maintaining lower water temperatures for the benefit of federally listed salmonids. Implementation of the variance would result in temporary adverse effects to aquatic resources in the East Branch Russian River immediately below the project; however, these impacts would be minimized by incrementally adjusting flows as needed to preserve water for releases longer into the season. Therefore, we find the variance appropriately balances dam safety considerations, the protection of federally listed species in the Eel River, and the interests of water users in the Russian River watershed. We further discuss the effects of the proposed variance and commenters' concerns below.<sup>59</sup>

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<sup>58</sup> Eugene McFadden Comments at 1; Steven Elliot Comments at 1.

<sup>59</sup> The analysis in the final environmental impact statement (EIS) prepared for the 2004 license amendment adopting Article 52 provides a sufficient basis for considering the requested variance. The proposed variance would mirror the minimum flow requirements for a dry/critical water-year as analyzed in the final EIS, and thus the environmental impacts of the proposed variance have already been considered for purposes of the National Environmental Policy Act. Consistent with PG&E's prior

**A. Dam Safety**

28. Keeping water levels in Lake Pillsbury too high presents a dam safety problem. As previously explained, PG&E has determined that Scott Dam may become structurally unstable when subject to updated seismic loading conditions and that the potential for seismic instability is lower when the water level in Lake Pillsbury is at or below the spillway crest elevation.<sup>60</sup> Some individuals are concerned that the severity of this concern has been exaggerated.<sup>61</sup>

29. The Commission's D2SI reviewed PG&E's preliminary seismic analysis and agreed with its finding. Dam safety is a top priority for the Commission and we do not believe that safety concerns at Scott Dam have been overstated. The 52,600 acre-foot storage limit maintained by leaving the gates of Scott Dam open is a self-imposed threshold; limiting storage is one of the few options currently available to manage the seismic risk. So, the combination of the risk reduction measures and approval of the variance would benefit dam safety.

**B. Operational Issues**

30. Additionally, keeping water levels in Lake Pillsbury too low poses operational issues. Friends of the Eel River mentions that functional storage in Lake Pillsbury has been lost to annual sediment accumulation in the reservoir.<sup>62</sup> It further explains that if sediment enters the needle valve,<sup>63</sup> the valve would become plugged and inoperable, and that clearing the valve of sediment would be a lengthy and costly process for PG&E. Friends of the Eel River explains that sediment is already up to the lip of the enclosure protecting the needle valve, so it is likely that sediment will eventually enter the valve and that if the needle valve fails, Scott Dam will not be able to release water in a

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variances, we find that no supplemental environmental assessment or EIS is required.

<sup>60</sup> *See supra* section I.B.1.

<sup>61</sup> *See supra* P 25.

<sup>62</sup> Friends of the Eel River Comments at 30.

<sup>63</sup> A needle valve is a high-pressure control valve that controls the flow of water by moving a tapered pin in and out of a small opening, which partially blocks the flow. This design allows dam operators to adjust releases on a relatively fine scale even when there is significant water pressure. Here, the needle valve is located at the bottom of the reservoir, the coldest part of the coldwater pool.

controlled manner, and will be forced to spill over the crest, which is only possible when Lake Pillsbury is full.<sup>64</sup>

31. We agree. Should the needle valve become plugged, it would undoubtedly result in severe flow restrictions for unknown periods of time to both the Eel and Russian River watersheds while the issue is remedied. Such a situation should be actively avoided, given the known information and risks, to ensure water releases can continue as planned. Any bank sloughing and collapse of the shoreline would sharply exacerbate the sedimentation problem. Approving the variance would allow PG&E to release less water through the summer and fall seasons in which inflow to Lake Pillsbury is minimal, thus making it less likely that the reservoir would be lowered below 12,000 acre-feet, and thus decreasing the likelihood of bank sloughing, avoiding increased sedimentation, protecting the stability of the dam abutments, and allowing the low-level outlet to remain operational.

### **C. Federally Listed Species in the Eel River**

32. As detailed above, the Eel River from the mainstem and tributaries up to the reach between Cape Horn and Scott Dams is home to the California Coastal Chinook salmon and the Northern California steelhead. Both Chinook salmon and steelhead trout may occur in the affected area during the proposed variance implementation period.

33. NMFS's November 26, 2002 Biological Opinion explained that the number of Chinook salmon in the Upper Eel River has declined from an estimated 13,000 in 1964 to fewer than 1,000 in 1999. Steelhead counts have similarly declined from an estimated 10,000 in 1964 to fewer than 1,000 in 1999.<sup>65</sup> A total of 1,324 adult Chinook salmon were counted at the Van Arsdale Fisheries Station at Cape Horn Dam during the 2025 passage season, and 263 adult steelhead trout were counted at the Van Arsdale Fisheries Station as of March 2026 for the 2025-2026 migration run.<sup>66</sup>

34. Several intervenors support the proposed variance, stating that timely implementation of the variance would protect these federally listed salmonids by conserving water storage in Lake Pillsbury to later aid in maintaining suitable flow and

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<sup>64</sup> Friends of the Eel River Comments at 30-31.

<sup>65</sup> See NMFS Nov. 26, 2002 Final Biological Opinion at 30, Docket No. P-77-100.

<sup>66</sup> Friends of the Eel River, *Eel River Fish Count Station at Van Arsdale Reservoir*, <https://eelriver.org/the-eel-river/#fishcount> (last accessed March 23, 2026).

water temperature conditions through the summer.<sup>67</sup> The Pacific Coast Federation of Fishermen's Associations and the Institute for Fisheries Resources claim that warm water conditions created by the project have encouraged the growth and spread of Sacramento pikeminnow, an invasive species which preys on juvenile salmonids.<sup>68</sup> The California DFW and Friends of the Eel River note that warm temperatures above 18°C are detrimental to juvenile steelhead because invasive pikeminnow compete with and prey upon them.<sup>69</sup>

35. Conversely, George Rau, William Monlux, and Nancy Todd claim that the decline in fisheries along the Eel River has many causes not related to water temperature, like the proliferation of the Northern pikeminnow as well as seals, wildfires, and logging operations.<sup>70</sup> Further, Steven Elliot contends that the amount of coldwater storage in Lake Pillsbury is large enough that it could never exceed lethal temperatures despite any mixing.<sup>71</sup>

36. During the 2025 summer temporary variance,<sup>72</sup> water temperatures were taken in Lake Pillsbury twice a month from May 16 through September 19. In May 2025, the surface water temperature in Lake Pillsbury was measured at just under 20°C while water temperature at the needle valve intake was approximately 9°C. When PG&E released the flows required in the absence of a variance, water temperatures measured at and below the needle valve rapidly increased to the 20 to 24°C range by mid-July, above the temperature target to support salmonids and near lethal temperature thresholds. The needle valve near the bottom of Lake Pillsbury is the only controlled pathway to release water from Scott Dam; thus, all water releases occur from within the coldwater pool and PG&E has no option for meeting minimum flow requirements other than to deplete the coldwater pool through the summer and fall. As the coldwater pool is depleted, layer

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<sup>67</sup> *Supra* P 23.

<sup>68</sup> The Pacific Coast Federation of Fishermen's Associations and the Institute for Fisheries Resources Motion to Intervene at 4-5.

<sup>69</sup> California DFW Comments at 3; Friends of the Eel River Comments at 20.

<sup>70</sup> George Rau Comments at 1; Nancy Todd Comments at 1; and William Monlux Comments at 1.

<sup>71</sup> Steven Elliott Comments at 1.

<sup>72</sup> PG&E Oct. 2, 2025 Filing at 16, Docket No. P-77-001.

mixing and warmer inflows and atmospheric conditions increasingly raise the temperatures in the coldwater pool.

37. While we agree that there are a multitude of factors impacting the listed salmonids of the Eel River, managing releases from Lake Pillsbury is the only tool available to PG&E to maintain the coldwater pool and moderate water temperatures downstream of Scott Dam for the protection of listed salmonids. The reduced amount of total discharge from Scott Dam also decreases the mixing rate between the warmer surface layer and the coldwater pool in Lake Pillsbury and maintains the coldwater pool for a longer period. The proposed variance would increase the likelihood of PG&E achieving a sufficient water storage level to maintain the coldwater pool, reduce the seismic risk potential, and avoid approaching the storage threshold that would elicit bank sloughing. By reducing flows released to the East Branch Russian River to between 5 and 25 cfs as needed through the summer and fall, the proposed variance would also minimize effects on aquatic resources in the downstream Russian River to the extent possible.

38. Steven Elliot asserts that cutting flows down to 5 cfs would be a violation of the 2002 Biological Opinion and would ignore the needs of Potter Valley and East Branch Russian River users, thus violating the “inherent balance” required by the ESA.<sup>73</sup> In contrast, Friends of the Eel River argues that the proposed temporary variance is necessary to reduce harm to listed species because, in their view, the project continues to operate under an annual license that was issued without adequate protections for Eel River fisheries.<sup>74</sup> Friends of the Eel River contends that any take occurring as a result of project operations is unpermitted given that NMFS advised the Commission in 2022 that the 2002 Biological Opinion lapsed on April 14, 2022.<sup>75</sup>

39. NMFS reviewed the proposed temporary variance and noted that it had no comments.<sup>76</sup> During its review of similar variances in previous years, NMFS has explained that the flow components of the proposed variance are consistent with the intent of its 2002 Biological Opinion, as well as key elements of its proposed interim protective measures.<sup>77</sup>

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<sup>73</sup> Steven Elliot Comments at 1.

<sup>74</sup> Friends of the Eel River Comments at 5.

<sup>75</sup> *Id.* at 15.

<sup>76</sup> 2026 Variance Request at Enclosure 2.

<sup>77</sup> See, e.g., *Pac. Gas & Elec. Co.*, 192 FERC ¶ 61,108 at P 50. On March 17, 2022, NMFS filed a request, in Docket No. P-77-314, asking the Commission to consider

#### **D. Reduced Releases to the Russian River**

40. The Irrigation District and individual commenters express concern regarding the proposed variance's reduction in flows to the East Branch Russian River and resulting effects on downstream users and protected species in the East Branch Russian River.

##### **1. Effects on Russian River Water Users**

41. Downstream users of the East Branch Russian River immediately below the Potter Valley Powerhouse may experience a reduction in flows and water diversions under the variance. The Irrigation District, Eugene McFadden, Angle Lynn Slater, William Monlux, and Steven Elliot note concerns about the appropriative water rights<sup>78</sup> held by downstream users in the Russian River watershed which are predicated, in part, on the expected annual diversions from the Eel River under Article 52 of the project license.<sup>79</sup> The Irrigation District asserts that PG&E has very limited discretion to restrict deliveries between April 15 and October 15.<sup>80</sup> Because the Irrigation District and PG&E's contract, as well as all water right contracts, are not subject to the Commission's jurisdiction, we decline to address this dispute.

42. Aside from flows released to the Irrigation District, PG&E proposes to reduce flows to the East Branch Russian River from 75 cfs to a range of 5 to 25 cfs.<sup>81</sup> This water would be available for beneficial uses in the East Branch Russian River below the project. Several residents of Potter Valley assert that the proposed decreased releases to the East Branch Russian River are too severe and that agricultural, domestic, and

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initiating consultation and reopening the license to require interim measures to protect federally listed species.

<sup>78</sup> An appropriative water right is the right to take water for use on non-riparian land or to use water on riparian land that would not be there under natural conditions. Permits and licenses granting appropriative water rights are administered by the California Water Board and are outside of the Commission's jurisdiction.

<sup>79</sup> Irrigation District Comments at 2. *See also supra* P 24.

<sup>80</sup> Irrigation District Comments at 2.

<sup>81</sup> 2026 Variance Request at 8-9.

commercial water users of the Russian River watershed would suffer.<sup>82</sup> Two longtime residents state that previous reduced diversions into the Russian River caused property values to plummet and house wells to go dry, which makes both selling their property and continuing to reside on their property difficult.<sup>83</sup>

43. Timely approval of the temporary variance would increase the likelihood that water from Lake Pillsbury remains usable and of good quality, both for aquatic species and downstream water users, so that more stringent emergency curtailments do not become necessary later in the year. PG&E's approach would allow reliable, albeit reduced, flow releases while maintaining flows within the bounds of the existing RPA. Further, precipitation from the winter of 2025-2026 has replenished Lake Mendocino,<sup>84</sup> which should buffer any effect the temporary variance would have on downstream users. We are satisfied that PG&E's proposal provides a reasonable approach to minimizing effects to East Branch Russian River water users.

## 2. Effects on Listed Species in the Russian River

44. The reduced flows in the East Branch Russian River under the proposed variance have the potential to reduce aquatic habitat and increase water temperatures in the Russian River below Lake Mendocino, particularly in the warmer summer months. This has the potential to cause elevated stress and possible salmonid mortality.

45. The temporary variance would minimize these effects by reducing flows below 25 cfs only if necessary as the season progresses. Moreover, storms in the winter of 2025-2026 largely replenished Lake Mendocino, which should further mitigate the effects of reduced flows on protected salmonids in the Russian River downstream of

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<sup>82</sup> Wilma Keeney Comments at 1; Nancy Todd Comments at 1; William Monlux Comments at 1; Marilyn Ogle Comments at 1; George Rau Comments at 1; Maria Ghisletta-Harvey Comments at 1; and Angle Lynn Slater Comments at 1.

<sup>83</sup> Wilma Keeney Comments at 1 (requesting that PG&E provide restitution for damage to property values); Sally Underwood Comments at 1; and George Rau Comments at 1 (noting that in 2025, water was trucked in after flows were cut to 5 cfs).

<sup>84</sup> See California Department of Water Resources, *California Water Watch - Lake Mendocino Storage*, <https://cww.water.ca.gov/maps?tab=reservoir> (last accessed April 6, 2026). Water levels on April 5, 2026 were 85,376 acre-feet and were 105% of the historical average for the date. As of April 6, 2026, the storage in Lake Mendocino also represented 86.9% of the forecast informed reservoir operations water supply curve, a critical planning tool (<https://www.sonomawater.org/current-water-supply-levels>).

Lake Mendocino.<sup>85</sup> While releases from the Potter Valley Powerhouse flow into Lake Mendocino, because Lake Mendocino operations are under the Corps' control rather than the licensee's, there is no assurance that additional flows from the project would in turn be released to the lower Russian River for environmental and consumptive use purposes, regardless of whether the variance is in place. Therefore, we do not anticipate significant change to flows, aquatic habitat, or effects to listed salmonids in the Russian River as a result of the variance.

### 3. Alternate Flow Regime

46. Several commentors oppose the variance as proposed because it would permit PG&E to reduce flow releases to the East Branch Russian River to as low as 5 cfs, if necessary. Instead, the commenters request that minimum flows be set no lower than 20 or 25 cfs,<sup>86</sup> which they state would meet water supply and fishery needs, while avoiding negative effects to agriculture and people living in the Russian River watershed.

47. Setting a continuous release to the East Branch Russian River of no less than 20 to 25 cfs would initially meet PG&E's goals of protecting ESA-listed species in the Eel River and would supply water to water users in the Russian River watershed. However, as the summer progresses, the inability to further adjust flows lower than 20 or 25 cfs would likely result in an increase in the number of days that water temperatures in the Eel River exceed the threshold above which there would be unfavorable conditions for summer-rearing juvenile steelhead trout, and would decrease PG&E's ability to respond to changing hydrologic conditions. Importantly, in a worst-case scenario under a fixed variance of 20 to 25 cfs released to the East Branch Russian River, Lake Pillsbury storage might have to be reduced quickly if a drier than normal spring occurs, which would increase the likelihood of bank sloughing or could result in an abrupt, severe reduction in releases.

48. Additionally, in the event the storage reservoir depletes more quickly than projected, PG&E would have to significantly curtail flows to the Russian River later in the season to preserve the remainder of the water, which might more severely impact Russian River water users and aquatic resources. Several commenters stated such an event occurred in 2025, when the summer variance was approved in early August and PG&E reduced flow releases to 5 cfs to preserve storage through the rest of the

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<sup>85</sup> *Id.*

<sup>86</sup> Steven Elliot Comments at 1; Nancy Todd Comments at 1; George Rau Comments at 1; Wilma Keeney Comments at 1; and Gloria Todd Comments at 1.

summer.<sup>87</sup> PG&E suggests that earlier implementation of the variance and a flexible release strategy would avoid abrupt and severe curtailments. We agree that under the variance as proposed, careful and planned management of water storage in Lake Pillsbury would likely result in less reductions in the amount of water released to the East Branch Russian River through the summer and fall seasons.

#### 4. Best Management Practices

49. The City of Ukiah requests that any reduction in flows be informed by the best available scientific tools and information and made with consideration for both basins.<sup>88</sup> Mendocino County Farm Bureau similarly requests that Russian River stakeholders be informed in advance of sudden curtailments so that they can make appropriate adjustments.<sup>89</sup> Some individuals request that release amounts be monitored on a bi-weekly basis.<sup>90</sup>

50. PG&E proposes several practices to monitor and offset the potential effects of variance implementation. PG&E would convene the Drought Working Group as needed, and at least monthly, throughout the variance period to discuss storage levels, release flow rates, water temperature profiles, release temperatures, and estimated temperature projections in the Eel River below Scott Dam, which we find would provide sufficient monitoring of implementation of the variance. The Drought Working Group would use this data to inform flow modifications within the bounds of the proposed variance using Lake Pillsbury's early fall storage target as guidance. Further, PG&E plans to measure minimum flows on a 24-hour average throughout the variance at the typical compliance points; therefore, minimum flow monitoring would occur at a higher frequency than requested by commenters.<sup>91</sup>

51. Mendocino Farm Bureau requests that sudden curtailments to East Branch Russian River releases be communicated in advance. Information on daily releases from the Potter Valley Project from the powerhouse into the East Branch Russian River is

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<sup>87</sup> Nancy Todd Comments at 1; George Rau Comments at 1.

<sup>88</sup> City of Ukiah Comments at 6.

<sup>89</sup> Mendocino County Farm Bureau Comments at 2.

<sup>90</sup> Gloria Lee Todd Comments at 1; Nancy Todd Comments at 1.

<sup>91</sup> 2026 Variance Request at 8.

accessible in near real-time on a database maintained by the California Department of Water Resources,<sup>92</sup> thus providing regular information to interested entities.

#### **E. Critical Water Year Classification**

52. Two individuals oppose PG&E's request to reclassify the water-year classification of the Eel River at Gauge E-2 below Scott Dam from normal to critical in order to promote flows into the Eel River, arguing that this approach is unsupported and illegal.<sup>93</sup>

53. To clarify, the Commission's acceptance of PG&E's reclassification of the water year at Gauge E-2 here, solely for purposes of compliance with its license, does not in any way alter the water-year determinations by California. Rather, reclassifying the Eel River below Scott Dam as a being in a critical water year will allow flows at limits already defined under the RPA, and would not affect the state-established actual water-year classification definitions or the RPA requirements for other compliance points.

#### **F. Block Water Releases**

54. Under License Article 52, PG&E must reserve a block of water in Lake Pillsbury for release at the discretion of the fisheries resource agencies. Under PG&E's proposed temporary variance, the agencies would be allowed to retain and use the 2,500 acre-feet of block water until the end of the 2026 calendar year instead of by the end of the 2026 water year, increasing the length of time the block water can be retained before it must be used. Friends of the Eel River supports this request, explaining that allowing block water to be held until the end of year would allow the agencies to best benefit fisheries in response to changing conditions.<sup>94</sup>

55. We agree. While the block water would normally be used to supplement flows during the fall or winter Chinook migration and spawning season by the end of the water year, extending the time over which the block water can be retained in Lake Pillsbury could help manage the coldwater pool and storage until inflow to the reservoir begins once again, should the agencies choose to retain it. Should inflows in October or afterwards be low, retaining the block water longer would add a buffering layer over the

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<sup>92</sup> California Department of Water Resources, *California Data Exchange Center, Potter Valley PH (PVP)*, <https://statics.teams.cdn.office.net/evergreen-assets/safelinks/2/atp-safelinks.html> station (last accessed Apr. 15, 2026).

<sup>93</sup> Steven Elliot Comments at 1; Eugene McFadden Comments at 1.

<sup>94</sup> Friends of the Eel River Comments at 34.

coldwater pool and keep the Lake Pillsbury storage levels above the bank sloughing threshold.

### **G. License Amendment**

56. By letter filed March 17, 2023, PG&E informed the Commission that it had unilaterally decided to leave the spillway gates at Scott Dam open, as an interim risk-reduction measure.<sup>95</sup> On March 28, 2023, Commission staff responded that, because keeping the gates open would reduce water storage in Lake Pillsbury and would likely limit PG&E's ability to meet required summer and fall flow releases, possibly violating the ESA and the terms of the license, PG&E would need to file an application for a license amendment authorizing these actions.<sup>96</sup> PG&E then filed an application to permanently amend its minimum flow requirements on July 31, 2023, as supplemented on January 30, 2025.<sup>97</sup> On December 19, 2025, PG&E notified the Commission that it intends to supplement its amendment request by June 30, 2026. While the amendment is pending, approval of this variance would increase the likelihood of adequate storage and flows being maintained in the interim.

57. Additionally, the City of Ukiah notes that implementation of the variance will inform water resource management while the amendment proceeding is finalized,<sup>98</sup> given that the water release regime proposed in the variance is similar to what PG&E proposes in the permanent amendment. We agree.

### **VI. Conclusion**

58. We find that approval of PG&E's temporary variance request would help ensure that it has adequate water storage capacity to provide flows at the water temperatures necessary for the protection of threatened species. The proposed variance would conserve limited water resources; minimize the risk of bank sloughing which would

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<sup>95</sup> See PG&E Mar. 17, 2023 Filing, Docket No. P-77-001.

<sup>96</sup> See Commission Staff Mar. 28, 2023 Letter, Docket No. P-77-000.

<sup>97</sup> See PG&E July 31, 2023 Filing, Docket No. P-77-318. On October 4, 2023, Commission staff requested additional information from the licensee to analyze the effects of its proposal and to comply with federal environmental statutes. The licensee responded to this request for additional information on January 30, 2025. Commission staff will prepare a National Environmental Policy Act document to analyze the impacts of the proposed flow amendment.

<sup>98</sup> City of Ukiah Comments at 5.

result in impaired outlet operation and could affect the stability of the dam abutments at Lake Pillsbury; and maintain flows within the bounds of Article 52 of the license. While the Russian River watershed would receive reduced flow allocations compared to license-required flows, the variance would appropriately balance competing interests by further reducing flows to the Russian River below 25 cfs only as necessary depending on multiple variables reassessed as the summer progresses, for both the protection of Eel River salmonids and the project outlet works, while minimizing any effects to aquatic resources, and water supply in the East Branch Russian River. Therefore, we approve the temporary variance from the flow release requirements in Article 52, subject to the conditions outlined below.

59. Although the proposed temporary minimum flow reductions in the East Branch Russian River would be compliant with the dry to critical water flow regime of the RPA, PG&E should monitor for and alert the resource agencies and the Commission to any adverse effects to aquatic resources during the variance period. If such effects occur, PG&E must report them to NMFS, FWS, California DFW, the Round Valley Indian Tribes, and the Commission as soon as possible, but not later than two business days after the effects are discovered.

60. Given the dynamic watershed conditions in the Eel River and East Branch Russian River, in Ordering Paragraph (D) below the Commission reserves its authority to modify this order based on any new information received or as conditions may warrant.

The Commission orders:

(A) Pacific Gas and Electric Company's (PG&E's) request, filed with the Federal Energy Regulatory Commission (Commission) on January 30, 2026, and supplemented on February 19, 2026, for a temporary variance of the flow release requirements set forth in license Article 52 for the Potter Valley Hydroelectric Project No. 77 is approved, subject to paragraphs (B) through (D) below.

(B) PG&E must file a report notifying the Commission that the temporary variance is terminated within 24 hours of Lake Pillsbury storage exceeding 36,000 acre-feet following September 30, 2026.

(C) PG&E must notify the National Marine Fisheries Service, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, the Round Valley Indian Tribes, and the Commission of any adverse effects to aquatic resources observed or reported during the temporary variance as soon as possible, but no later than two business days after the discovery.

(D) The Commission reserves its authority to modify this order based on any new information received and as conditions may warrant.

(E) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 825*l*, and the Commission's regulations at 18 C.F.R. § 385.713 (2025). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. PG&E's failure to file a request for rehearing shall constitute acceptance of this order.

By the Commission.

( S E A L )

Carlos D. Clay,  
Deputy Secretary.