

Staff Report 45

LESSEE:

Pacific Gas and Electric Company

PROPOSED ACTION:

Revision of Rent and Bond.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in various waterway, in various counties, statewide.

American River, Sacramento and Yolo Counties

Sacramento River, Glenn, Shasta, Solano, Sacramento and Yolo Counties

Feather River, Sutter, and Yuba Counties

Russian River, Big River and Navaro River, Mendocino County

Eel River, Humboldt County

Corta Madera Creek and Novato Creek, Marin County

Tolay Creek, Petaluma Creek and Sonoma Creek, Sonoma and Marin Counties

Napa Slough, Napa and Sonoma Counties

Napa River, Napa and Solano Counties

China Slough and South Slough, Solano County

San Joaquin River, Sacramento and Contra Costa Counties

Carquinez Strait, Solano and Contra Costa Counties

San Pablo Canal, Contra Costa County

Alameda Creek, Plumber Creek, and Newark and Mud Slough, Alameda County

Redwood Creek, Belmont Slough and Corkscrew Slough, San Mateo County

Steinberger Slough and Ravenswood Slough, San Mateo County

San Francisco Bay, Alameda and San Mateo Counties

Guadalupe River, Scott Creek and Coyote Creek, Santa Clara County

AUTHORIZED USE:

Continued use and maintenance of greater than 60-kilovolt (kV) overhead electrical transmission lines and fiber optic cables.

TERM:

30 years, beginning May 1, 2015.

CONSIDERATION:

This lease provides that Lessor may modify the rent and bond periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease and recommends a revision of base rent from \$642,573.78 to \$742,120 per year, adjusted annually by the Consumer Price Index and an increase in the surety bond from \$570,000 to \$1,520,000, effective May 1, 2025.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the revision of rent and bond is a discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent and bond, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Lands as authorized by law. Upon expiration or prior termination of the lease, the Lessee has no right to a new lease or to renewal of any previous lease.
2. On February 20, 2015, the Commission authorized a Master General Lease – Right-of-Way Use ([Item 11, February 20, 2015](#)) to Pacific Gas and Electric Company for existing more than-60 kV (kilovolt) overhead electrical transmission lines and fiber optic cable facilities on a total of 77 crossings of various waterways statewide. The crossings include lines and cables of varying lengths. On December 17, 2024, the Commission approved an amendment of lease ([Item 37, December 17, 2024](#)) to remove a parcel located in the Sacramento River in Sacramento and Solano Counties from this lease and issuance of a new

lease for the relocation of the facility, effective December 17, 2024. Lease 6827 provides for a review of the rent on the 10th and 20th anniversary of the lease. The lease will expire on April 30, 2045.

3. Under the terms of the current lease, the Lessee holds a surety bond in the amount of \$570,000. The surety bond is subject to increases over the lease term and serves to mitigate costs that might otherwise be shouldered by the state, including potential restorative actions upon lease termination or lease premises abandonment. A bond adjustment is currently appropriate for consistency with similar facilities. Staff recommends an increase in the surety bond from \$570,000 to \$1,520,000.
4. This action is consistent with the “efficient and effective management of the revenue generation portfolio” and “addresses current and future risk and liabilities” elements in the “Meeting Evolving Public Trust Needs” Strategic Focus Area of the Commission’s 2021-25 Strategic Plan.
5. Approving the revision of rent and bond is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

Approve a revision of rent for Lease PRC 6827 from \$642,573.78 to \$742,120, adjusted annually by the Consumer Price Index, and increase the surety bond from \$570,000 to \$1,520,000, effective May 1, 2025.