

Staff Report 60

APPLICANT/LESSEE:

Pacific Gas and Electric Company

PROPOSED ACTION:

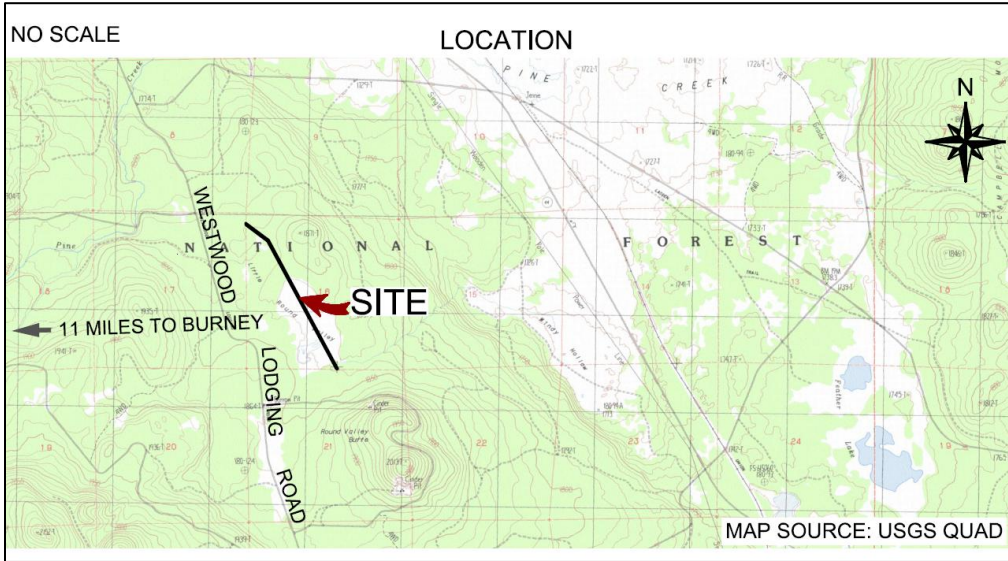
Issuance of a General Lease – Right-of-Way Use.

AREA, LAND TYPE, AND LOCATION:

A total of 7.29 acres of State-owned school land located in Section 16, Township 35 North, Range 5 East, Mount Diablo Meridian, near the town of Fall River Mills, Shasta County (as shown in Figure 1).

Parcel 1 consists of approximately 6.8 acres and includes the overhead transmission line and an existing access road. Parcel 2 consists of 0.31 acres, and Parcel 3 consists of 0.18 acres, both of which are used as access roads in corridors located adjacent to and southwesterly of Parcel 1.

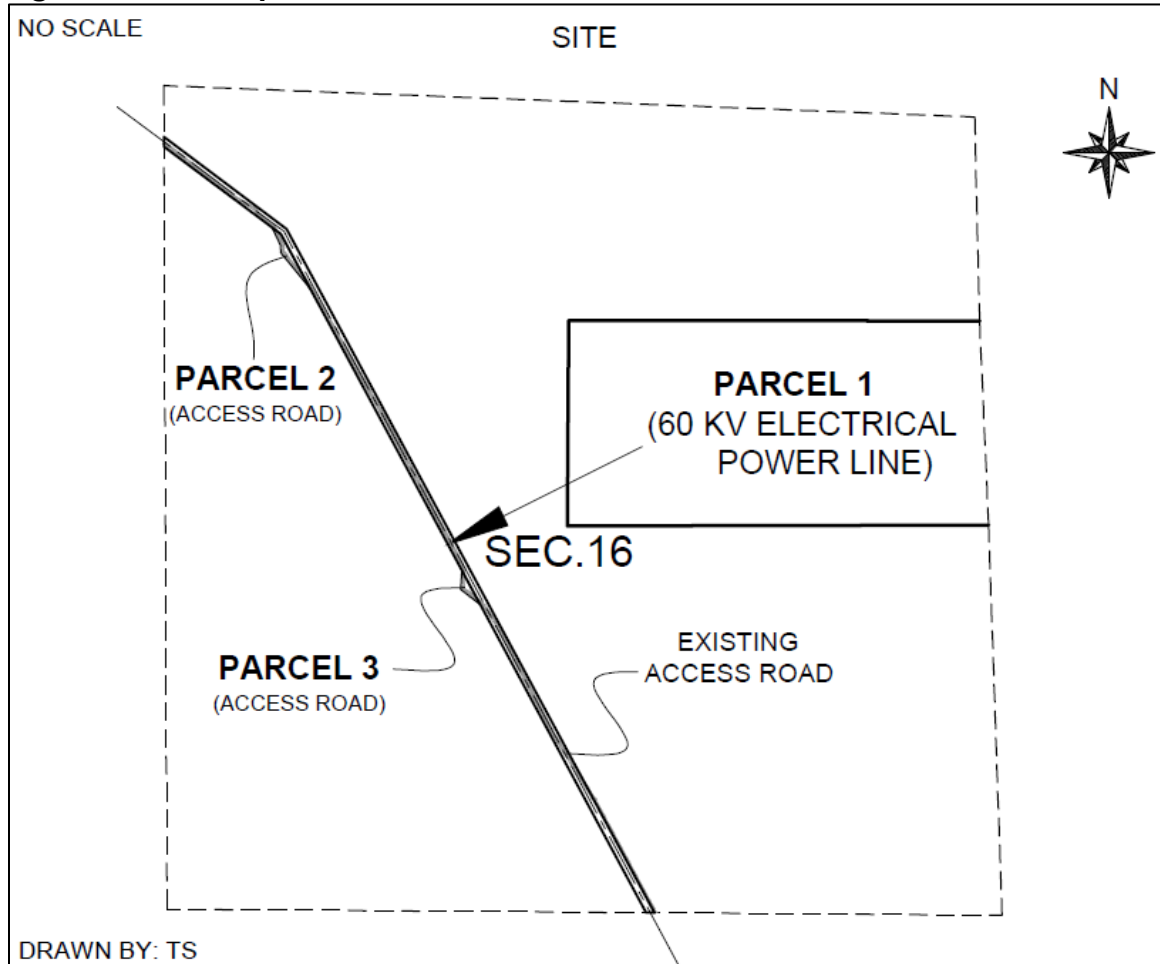
Figure 1. Location



AUTHORIZED USE

Continued use and maintenance of an existing 60 kilovolt (kV) overhead electrical transmission line and existing unimproved access roads (as shown in Figure 2).

Figure 2. Site Map



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

TERM:

20 years, beginning October 27, 2025.

CONSIDERATION:

\$3,554 rent per year, with an annual Consumer Price Index adjustment.

SPECIFIC LEASE PROVISIONS:

- Liability insurance with combined single limit coverage of not less than \$2,000,000; or equivalent staff-approved self-insurance program.
- Surety bond or other security in the amount of \$30,000.
- The Lessee will control, at its sole cost and expense, vegetation around the authorized improvements. No herbicidal chemicals may be used for vegetation control without the prior written consent of Lessor.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6501.1, 6503, and 8705; California Code of Regulations, title 2, sections 2000 and 2003.

STATE'S BEST INTERESTS:

On September 29, 1977, the Commission authorized a General Lease, Right of Way Use to Pacific Gas and Electric Company (PG&E) for 6.8 acres of State indemnity school land in a portion of Section 16, Township 35 North, Range 5 East, MDM, near Fall River Mills, Shasta County ([Item 10](#)). The lease authorized PG&E's use and maintenance of an existing 60 kV electric transmission line. The lease expired on October 26, 2025. On March 25, 2025, staff received a new application to renew this lease. Staff recommend issuing a new lease to for the existing facilities. The lessee will continue to provide long-term access to a reliable power source to the surrounding community that serves regional demand and ensures continuity of operations without interruption. The lease requires the lessee to insure and indemnify the State for any liability incurred as a result of the lessee's activities on the lease premises and maintain the overhead transmission line at its sole expense. The lease also requires the payment of annual rent, generating revenue for the California State Teachers' Retirement System, consistent with Public Resources Code section 6217.5.

CLIMATE CHANGE:

INTRODUCTION:

Climate change is significantly altering northern California's forests and rangelands. As the atmosphere warms, there are more extremely hot days and unpredictable rainfall. Longer droughts are expected, and precipitation patterns will change in timing and intensity, affecting plant growth and distribution. This region is likely to see a corresponding increase in wildfires. These impacts may affect the existing 60 kV power transmission line subject to the proposed lease, located near Fall River Mills, Shasta County.

DATA AND PROJECTIONS:

In the Sierra Nevada region of California, daily average high temperatures are projected to increase significantly by the end of the century ([Sierra Nevada Region](#), California's Fourth Climate Change Assessment, 2018). As temperatures rise, the region is projected to experience more frequent and intense heat waves and an increased number of extreme heat days. The rise in temperature and increase in extreme heat and drought conditions is expected to result in more frequent and intense wildfires.

California's climate will cycle between extremely dry and extremely wet periods. Driven by climate change, dry years are expected to become even drier, while wet years will become even wetter in the next several decades. The rise in whiplash events, where conditions shift rapidly from drought to deluge, will challenge water storage and flood control systems in the region. Further, future wet seasons are projected to have more precipitation as rain than snow due to higher temperatures. The Northern Sierras, a primary water source for the Sacramento Valley, are expected to have almost no annual snowpack by the end of this century. These changes in precipitation and snowpack will likely alter streamflow, surface runoff, and groundwater recharge in the region.

ANALYSIS:

The lease premises will likely experience increased exposure to prolonged and extreme heat, extreme and infrequent precipitation events, and wildfire activity. These conditions may increase the risk of wildfire exposure and flooding to the lease premises. The lease area includes a mix of open land and forest vegetation, including western juniper, California mixed conifer, ponderosa pine, and pinyon woodland ([TreeMap 2016 dataset](#)). Wildfire risk is likely to increase in the region due

to extreme heat events and drought, but proactive vegetation management can play a significant factor in mitigating or exacerbating wildfire risk. Damage to transmission lines during high wind or extreme heat events could increase the risk of ignition and wildfire on the lease premises.

RECOMMENDATION:

The Applicant has indicated that the lease is within a Tier 2 Fire District, and the alignment is subject to routine inspections and vegetation management. Maintenance and operational activities along the alignment are subject to PG&E policies and procedures related to wildfire prevention. This regular maintenance of vegetation within the lease premises and access roads to the lease premises will help minimize the threat of fire hazards to the lease area.

Any future construction activities on State land would require a separate authorization from the Commission. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises are located in an area that may be subject to the effects of climate change.

CONCLUSION:

For the reasons stated above, staff believe that issuance of this lease is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects the use of school land, it exercises legislatively delegated authority and responsibility as trustee of the State's school 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. This action is consistent with the "Leading Climate Activism" Strategic Focus Area of the Commission's 2021-2025 Strategic Plan.
3. Staff recommend that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15061.

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

STATE'S BEST INTERESTS:

Find that the proposed lease is in the best interests of the State.

AUTHORIZATION:

Approve issuance of a General Lease – Right-of-Way Use, to Pacific Gas and Electric Company beginning October 27, 2025, for a term of 20 years, for use and maintenance of an existing 60 kV overhead electrical transmission line; plus the Parcel 2 and Parcel 3 access road corridors, annual rent in the amount of \$3,554 with an annual Consumer Price Index adjustment; Surety Bond or other security in the amount of \$30,000; and liability insurance in an amount of \$2,000,000. Lessee may satisfy all or part of this insurance requirement through maintenance of a staff-approved self-insurance program as specified in the lease.