

Staff Report 62

APPLICANT:

Southern California Edison Company

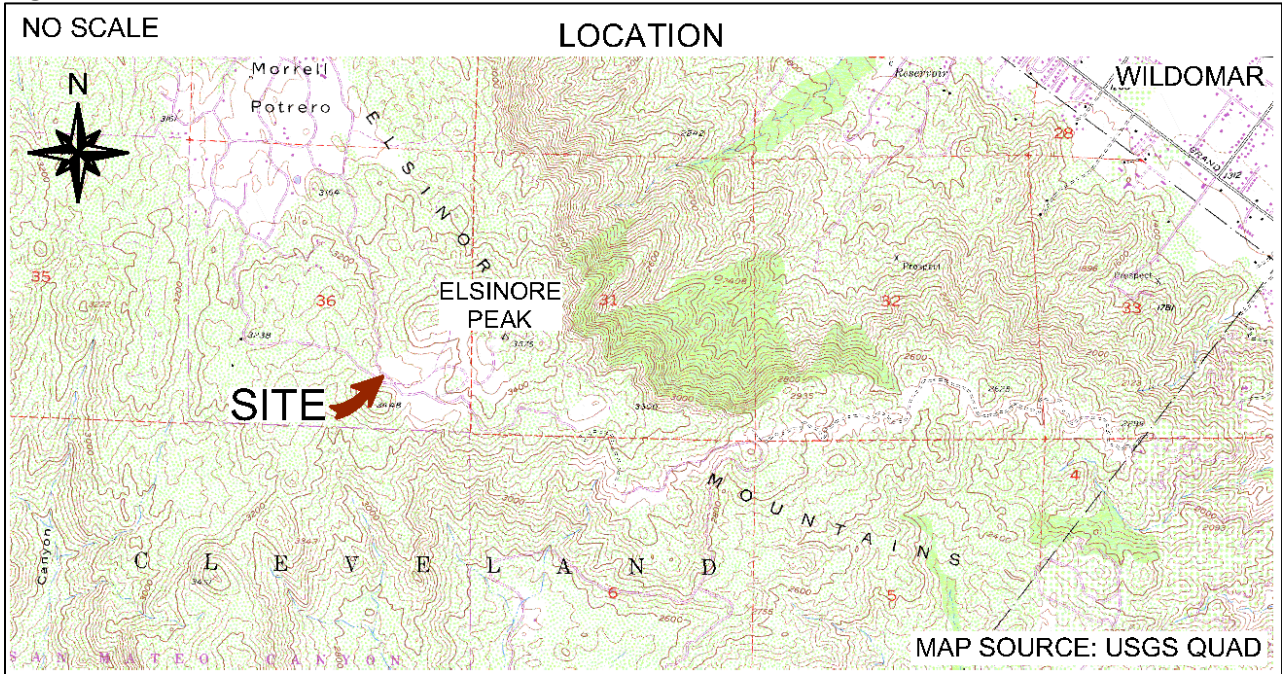
PROPOSED ACTION:

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

AREA, LAND TYPE, AND LOCATION:

1.43 acres, more or less, of State-owned school lands located in Section 36, Township 6 South, Range 5 West, SBM, near Elsinore Peak, Riverside County (as shown in Figure 1).

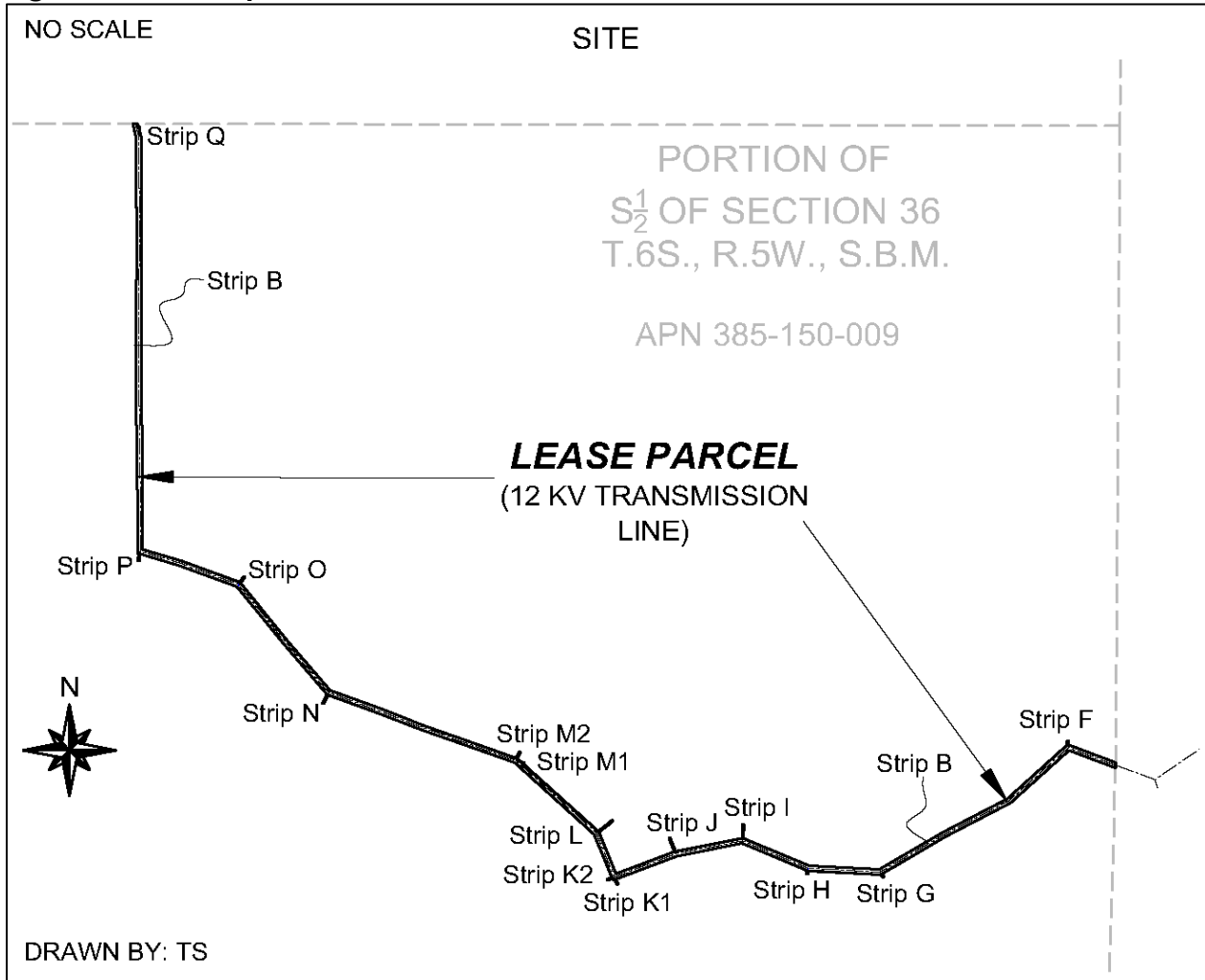
Figure 1. Location



AUTHORIZED USE:

Use of existing 12 kilovolt (kV) overhead and underground electrical distribution lines and 12 wood distribution poles (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:

15 years, beginning April 7, 2026.

CONSIDERATION:

\$1,943 per year, with an annual Consumer Price Index adjustment; and \$1,504 for the unauthorized occupation of State land prior to April 7, 2026.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$2,000,000 per occurrence, or an equivalent staff-approved self-insurance program.
- Lessee agrees to maintain its executed performance guaranty until such time as all conditions governing termination of this guaranty, as described in the guaranty, are met.
- Lessor shall have the right to examine and obtain copies of all records and data associated with maintenance activities of the electrical distribution lines on the Lease Premises.
- Lessee shall take all reasonable and necessary actions to prevent, suppress, and control fires on the Lease Premises, including addressing any vegetation that poses a potential risk to the electrical distribution lines on the Lease Premises.
- No herbicidal chemical may be used for vegetation control on the Lease Premises without prior written approval from Lessor. Any herbicidal chemicals that are so approved and used by Lessee or its contractors on the Lease Premises must be registered with the California Department of Pesticide Regulation and must be applied in conformity with current Material Safety Data Sheets.
- In the event of an emergency within the Lease Premises requiring immediate action to remove, repair and/or install an electric transmission or distribution line, Lessee shall notify Lessor without delay and within 24 hours.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6217.5, 6301, 6501.1, 6503, and 8701; California Code of Regulations, title 2, sections 2000 and 2003.

STATE'S BEST INTERESTS:

On February 6, 1974, the Commission authorized a General Lease – Right-of-Way Use to Southern California Edison Company for the installation and maintenance of an overhead 12 kV electrical distribution line and the installation of 1,719 feet of underground electrical distribution line located on a portion of State-owned school

land located in Section 36, Township 6 South, Range 5 West, SBM, near Elsinore Peak, Riverside County ([Item 5](#)).

In the intervening years, and pursuant to the terms of the lease, rent for this lease has been reviewed and modified numerous times. Additionally, on April 23, 2014, the Commission authorized an amendment of this lease, along with 29 other leases and rights-of-way, to include a performance guaranty from the Applicant in lieu of a surety bond or other security to ensure the punctual performance of all the Applicant's obligations under these leases and rights-of-way ([Item 64](#)). This performance guaranty remains in effect and shall remain in effect until the last of the Applicant's leases is terminated and all of the lease premises have been accepted by the State as improved, or said lease premises are restored by the Applicant as provided in the various leases and rights-of-way, or until any remaining leases have been assigned to a party approved by the State such that the Applicant is released from its obligations.

On June 28, 2019, the Commission authorized another amendment of this lease which modified rent from \$392 per year to \$450 per year, authorized replacement of the existing overhead 12-kV distribution lines with new overhead 12-kV distribution lines, authorized installation of 12 new wood distribution poles to support the overhead electrical distribution lines, and replaced the existing Land Description and Location Map with a new Legal Description and Site and Location Map ([Item 80](#)). Pursuant to the terms of this amendment, the overhead 12-kV distribution lines have since been replaced and the 12 new wood distribution poles have been installed. This lease expired on November 30, 2022.

Now, the Applicant is applying for a General Lease – Right-of-Way Use for use of the existing 12-kV overhead and underground electrical distribution lines and 12 wood distribution poles. Staff recommends issuance of a General Lease – Right of Way Use to the Applicant, to take effect on April 7, 2026.

The Applicant has occupied State Land without authorization since the previous lease expired on November 30, 2022. To ensure the State is compensated for this period of unauthorized occupation, staff recommends that the Applicant be charged compensation in the amount of \$1,504 for the period of December 1, 2022 through April 6, 2026. Additionally, the proposed lease will require that the Applicant indemnify the State for the entire period of unauthorized occupation, thereby ensuring that the State is protected from liability.

The proposed lease does not alienate the State's fee simple interest, nor permanently impair public rights. The lease is limited to a 15-year term and does not

grant the lessee exclusive rights to the lease premises. The lease requires the Applicant to indemnify the State for any liability incurred as a result of the lessee's activities on the lease premises. 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 California's deserts, the hottest and driest regions in the State. 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. The desert is likely to see a corresponding increase in wildfires and flash flooding. These impacts may affect existing electrical transmission lines subject to the proposed lease, located in Riverside County.

DATA & PROJECTIONS:

In the desert areas of California, daily average high temperatures are projected to increase significantly by the end of the century ([Inland Deserts Summary Report](#), California's Fourth Climate Change Assessment, 2018). As the atmosphere heats, it can hold more water, and release it in sudden, intense events that may cause flash flooding during the winter months. In the summer months, the monsoon rain patterns that have historically contributed to 30 percent of the desert's annual rainfall are expected to dry up and disappear from the region. Models project there will be more "dry years" (with less than average rainfall) than "wet years" (with more than average rainfall). Finally, many areas in the desert are prone to high wind speeds, and wind speed is projected to increase by 10 percent by 2100.

Table 1. Projected Temperature Increases (in degrees Fahrenheit) in CA Desert

Year	Lower GHG Emissions	Higher GHG Emissions
Present - 2039	+5	+6
2040 - 2069	+6	+10
2070 - 2100	+8	+14

Source: Table adapted from Figure 5, p. 14, Inland Desert Summary Report, California's Fourth Climate Change Assessment.

Table 2. Extreme Heat and Rainfall Projections for CA Desert by 2100

Climate Event	Present Day	2100	Percent Change
Extreme Heat Days/year (>95 degrees Fahrenheit)	90 (Mojave)	141 (Mojave)	+57%
Extreme Heat Days/year (>95 degrees Fahrenheit)	130 (Palm Springs)	179 (Palm Springs)	+38%
Annual Rainfall Average	5 inches	2.5 inches (dry years)	-50%
Annual Rainfall Average	5 inches	7-8 inches (wet years)	+40-60%

Source: Table adapted from pp. 14-21, Inland Desert Summary Report, California's Fourth Climate Change Assessment.

ANALYSIS:

The lease premises and improvements will likely experience increased exposure to prolonged and extreme heat, unpredictable precipitation patterns, increased frequency of flash floods, and higher wind speeds for the duration of the lease term. These conditions may increase the risk of wildfire exposure and flooding to the lease premises.

Higher temperatures can accelerate the degradation of structure materials, and cause materials to expand and contract more frequently, leading to structural fatigue over time. Changing precipitation patterns, in addition to causing floods, can also increase the likelihood of corrosion for metal structures. Higher wind speeds can cause structural damage, as well as increase the frequency and intensity of dust accumulation that can degrade structures.

Wildfire risk is also likely to increase in the desert, in connection with the increase in extreme weather. Wildfire risk in the desert is tied to fuel (vegetation) availability, which will fluctuate in relationship to precipitation, and atmospheric conditions. High winds can damage infrastructure, providing an ignition source for fire, and can also propel fires over more terrain.

RECOMMENDATIONS:

The Applicant can reduce their exposure to wildfire by maintaining defensible space for all infrastructure. Replacing older structural components with materials designed to better withstand heat fluctuations, extreme heat, corrosion, and abrasion can reduce the likelihood of degradation and damage to structures. Any future construction or activities on State land would require a separate authorization from the Commission. Regular maintenance, as required by the lease, may reduce the risks from extreme temperatures and rain. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises and adjacent upland are located in an area that may be subject to the effects of climate change.

CONCLUSION:

For the reasons stated above, staff believes 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 a use of school land, it exercises legislatively delegated authority and responsibility as trustee of the State's school lands as authorized by law. If the Commission denies the application, the Applicant has no right to utilize the subject School Lands and may be required to remove the improvements. The lessee has no right to a new lease or to renewal of any previous lease.
2. This action is consistent with addressing the challenges and opportunities described in the Commission's 2021-25 Strategic Plan to "Embrace and safeguard multi-benefit School Lands and resource management stewardship that equitably balances responsible local and regional economic development, supports living wages, environmental protection, and revenue generation."
3. Staff recommends 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 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15061 and California Code of Regulations, title 2, section 2905.

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 2, section 2905, subdivision (a)(2).

STATE'S BEST INTERESTS:

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

AUTHORIZATION:

1. Authorize acceptance of compensation from the Applicant in the amount of \$1,504 for unauthorized occupation of State land for the period prior to April 7, 2026.
2. Authorize issuance of a General Lease – Right-of-Way Use to the Applicant, beginning April 7, 2026, for a term of 15 years, for the use of existing 12-kV overhead and underground electrical distribution lines and 12 wood distribution poles; annual rent in the amount of \$1,943, with an annual Consumer Price Index adjustment; liability insurance in an amount no less than \$2,000,000 per occurrence, with all or part of this insurance requirement capable of being satisfied through maintenance of a staff-approved self-insurance program as specified in the lease; and security in the form of a performance guaranty.