



AGENCY: City Council  
MEETING DATE: September 27, 2021  
DEPARTMENT: Public Works  
PRESENTED BY: C. O'Neal  
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## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report and Consider Establishing an Underground Utility District to Secure Rule 20 Work Credits and Avoid Becoming an Inactive District**

### **ISSUE:**

The City has received notification from Pacific Gas and Electric Company's Rule 20 Program Liaison that we have become an Inactive Community under the Rule 20 Tariff regulations and that if we remain inactive, we are subject to reallocation of work credits to active communities. The City currently has approximately \$1.3 million in eligible credits that are only accessible if we become an active community by: Selecting a Qualifying Project Location; Holding a Public Hearing, and Adopting a Resolution to allocate the use of those work credits. Alternately, if we choose to remain inactive, we will be subject to partial work credit loss in approximately 90 days.

### **ANALYSIS:**

Rule 20 is programmatic funding allocated to communities by PG&E whereby work credits are earned for the replacement of overhead utilities with underground electric facilities. Additional details about the program are explained in Attachment 1. The City was contacted in August 2021 by a representative from PG&E regarding the City's "inactive" status and to discuss updates to the Rule 20 Program implementation. Several important components to district programming that were covered include:

- On June 3, 2021, California Public Utilities Commission (CPUC) of the State of California passed Rulemaking 17-05-010 - *Phase 1 Decision Revising Electric Rule 20 and Enhancing Program Oversight*. This Decision described in the CPUC rulemaking is accessible here:  
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M387/K099/387099230.PDF>.
- Rulemaking 17-05-010 describes an overhaul to the CPUC's program including a potential loss of all work credits for communities that are not actively in a project phase which should be considered when determining if moving forward with a district identification is appropriate at this time.
- Rulemaking 17-05-010 establishes the intent of the CPUC not to allocate any work credits after December 31, 2022. It does not establish alternative work credit opportunities for communities and eliminates the option for cities to borrow against future credits, which could result in a project not being sufficiently funded.
- PG&E and the CPUC are currently preparing a Guide Book that outlines the process for underground electric distribution infrastructure. The Guide Book is expected to be available after October 1, 2021.

- A project could be programmed in correlation to a City capital project or PG&E can be the Lead on a project design and implementation facilitated by City Staff.

**RECOMMENDED ACTION:**

Provide direction to staff regarding the potential establishment of an underground district by recommending a preferred undergrounding district and scheduling a public hearing to consider approving a resolution authorizing establishment of a District to secure Rule 20 Work Credits for a future project.

**ALTERNATIVE ACTION(S):**

Direct staff to allow expiration of Rule 20 Work Credits.

**FISCAL IMPACT:**

The City currently has approximately \$1.3 million in Work Credits available. While the cost of a specific project is dependent on the size, location, and complexity of the selected project area, there are no identified additional funding mechanisms forthcoming from PG&E so any project remaining balance would need to be covered by City funds. Costs for staff time include public hearing and material preparation as well as project management for any project selected for implementation.

**GREENHOUSE GAS EMISSIONS IMPACT:**

There are no greenhouse gas emissions associated with the decision to establish an underground district. If a project was selected and developed, greenhouse gas emissions may be associated with the construction aspect of project implementation.

**CONSISTENCY:**

City Council passed Ordinance 382 in 1969 establishing Fort Bragg Municipal Code (FBMC) Chapter 12.08 Underground Utility Districts which would be used to establish proceeding should Council direct staff to bring forward a District location for consideration. Chapter 12.08 of the FBMC is located at:

<https://www.codepublishing.com/CA/FortBragg/#!/html/FortBragg12/FortBragg1208.html#12.08.030>.

The City's Coastal General Plan states, "visual resources can be readily degraded through poorly-designed and located structures, roads, signs, and utility lines that block coastal views, alter natural landforms, and detract from the small town character of the community."

Land Use Element 2, Policy LU-6.4, establishes a requirement for Underground districts.

**Policy LU-6.4:** Electrical and telecommunications transmission rights-of-way and pipelines shall be routed to minimize impacts to scenic resources and to Environmentally Sensitive Habitat Areas according to the following standards:

- a) Require underground installation of electrical and telecommunication lines where technically and economically feasible, unless it can be shown that other options are less environmentally damaging.
- b) Scarring, grading, or other vegetative removal shall be minimized and construction areas shall be revegetated with plants native to the area.
- c) Where above-ground electrical or telecommunications transmission lines are

necessary, the design and color of the support towers shall be compatible with the surroundings to the extent feasible. Avoid locating above-ground transmission lines along the crests of hills, bluffs, and in scenic resource areas.

The City's Inland General Plan, Housing Element 10, establishes that undergrounding utilities may be a requirement for new subdivisions.

**IMPLEMENTATION/TIMEFRAMES:**

If Council directs staff to pursue an underground district project, a Public Hearing will be held within 90 days and a project would need to be programmed and started prior to the December 31, 2022 work credit expiration date.

**ATTACHMENTS:**

1. Electric Rule No. 20 Information Sheet
2. Sample PG&E Provided Template Resolution
3. Potential Underground Utility Districts

**NOTIFICATION:**

1. Lizette Burtis, Rule 20A Program Liaison