



COUNTY OF SISKIYOU

COUNTY ADMINISTRATIVE OFFICE

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TO: Siskiyou County Board of Supervisors

FROM: Sherry Lawson
Deputy County Administrator

DATE: July 9, 2024

SUBJECT: Transfer of Rule 20A Credits to the City of Etna

Background:

Electric utilities collect and allocate credits, called Rule 20A credits, to communities to convert overhead electric facilities to underground facilities. Since 1967, overhead utilities in the State of California have been undergrounded through the California Public Utilities Commission (CPUC) Rule 20. As more and more utilities are placed underground there is an increase in services reliability and the elimination of overhead utility poles represent a safety improvement in some instances. Over the years, jurisdictions who have Rule 20A credits for which they do not have the ability to use, have sold or transferred their credits to other jurisdictions that have the ability to use them. Currently, the County has an allocation of \$5,447,666 Rule 20A credits for use on underground power projects.

In June 2024, the City of Etna inquired about the County's willingness to transfer \$100,000 of the County's Rule 20A Credits to the City. This City is considering multiple underground power projects; however, the initial project under consideration is the relocation of overhead power along Main Street from the Museum building to Collier Street. The City of Etna has approximately \$180,000 in credits under the Rule 20 program. PacifiCorp's estimate for the project is \$275,000. The transfer of \$100,000 credits from the County to the City is anticipated to be sufficient to fund this initial project.

Any Rule 20A work credits that have not been allocated to a community with an Active Rule 20A Project by June 8, 2025, shall be deemed expired. Therefore, the City is interested in securing additional County credits for underground power projects to help mitigate fire risks in the more forested areas of the City. This initiative would be addressed through a separate request once the city has finalized the budgeting for this larger project. However, the City would request a preliminary commitment from the County for future donations, if feasible, to ensure that the expenses incurred in preparing the project schematic are achievable.

County staff spoke with PacifiCorp's Regional Business Manager regarding the process to transfer credits to the city. PacifiCorp is responsible for keeping track of the Rule 20A

credits as the Investor-Owned Utility company in our area. Per the PacifiCorp Rule 20 Guidebook and the Rule 20.a.2.c tariff, credits may be donated intra-county, either from the county government to cities and towns within the county, or from a city or town to its county government via a resolution approved by the Siskiyou County Board of Supervisors.

Staff Recommendation:

Staff recommends Board direction to pursue further discussion with the City of Etna regarding their proposed underground power conversion projects and to prepare a resolution for the transfer of credits to the City of Etna, to be approved by the Board at a future meeting. Furthermore, staff is requesting the consideration of future transfers to assist the City with additional underground power conversion projects.