



COUNTY OF HUMBOLDT

For the meeting of: 4/22/2025

File #: 25-501

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Report of Pacific Gas and Electric Rule 20A Work Credits and Status of Undergrounding Projects

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive and file the January 1 through Dec. 31, 2024, Rule 20A Allocation and Work Credit Balance Report from Pacific Gas and Electric (PG&E).

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Core Services/Other

Strategic Plan Category: 1009 - Expand county infrastructure resilience

DISCUSSION:

The County of Humboldt currently has 2,542,652 in work credits (\$2,542,652) available through PG&E for undergrounding of overhead utility lines (Attachment 1). One work credit is equivalent to one dollar. The funds are derived from tariffs that are calculated based upon 50 percent of the number of PG&E's overhead electric meters and 50 percent of the total electric meters within each community. The funds can only be used for the purpose of undergrounding utilities and only when meeting criteria established by the California Public Utilities Commission.

The Public Utility Commission is sunsetting the Rule 20A program. Dec. 31, 2022, was the last date that the County received work credits through. It is not known what the successor program to the Rule 20A program will be. However, PG&E is committed to completing active projects.

Humboldt County has only one active project: Garberville Townsquare Undergrounding Project. Per PG&E estimates there are sufficient work credits to construct this project: 2,342,433. With the County having a work credit balance of 2,542,652, that provides a buffer of 200,219 work credits (8.5%).

As part of the sunsetting the Rule 20A program, PG&E proposed to reallocate the funds from inactive agencies to agencies with active projects (Attachment 2). While Humboldt County has an active project, no additional funds were reallocated to further bolster the existing work credits for the Garberville Townsquare Underground Project.

In addition, in 2014, 600,000 in work credits were borrowed by the City of San Carlos and 700,000 in work credits would be repaid to Humboldt County (Attachment 3). Each installment of the repayment plan was supposed to be made by PG&E. Accounting from the

Department of Public Works shows that (3) payments were made: 130,000 in 2015; 130,000 in 2016; and 49,000 in 2022. This leaves an outstanding balance of 391,000 work credits owed to Humboldt County. Public Works has reached out to the City of San Carlos to see if the city's accounting matches the county's accounting for the loan. With the sunseting on the Rule 20A program, the county and the city will need to come to an agreement of how the county will be repaid as the original agreement requiring repayment in PG&E work credits is no longer feasible. Public Works is continuing their outreach efforts to the City of San Carlos to develop a new repayment plan

The addition of \$391,000 would increase the project's buffer from 200,219 (8.5%) to 591,219 (25%). It is crucial to note that the PG&E cost estimate is outdated, as it originates from several years ago and fails to account for the recent increases in costs that construction projects are currently facing in Humboldt County.

SOURCE OF FUNDING:

General Fund
PG&E Rule 20A Work Credits

FINANCIAL IMPACT:

Narrative Explanation of Financial Impact:
None at this time.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:
None.

OTHER AGENCY INVOLVEMENT:

PG&E
City of San Carlos
County Counsel

ALTERNATIVES TO STAFF RECOMMENDATIONS:

None.

ATTACHMENTS:

Attachment 1 - PG&E Rule 20A Credit Summary dated Apr. 1, 2025
Attachment 2 - PG&E Work Credit Reallocation Plan dated Mar. 10, 2025
Attachment 3 - San Carlos Work Credit Loan dated Jul. 27, 2016

PREVIOUS ACTION/REFERRAL:

Meeting of: 11/08/2022
File No.: 22-1447