LAKE COUNTY · BOARD OF SUPERVISORS

# Ad Hoc Energy Policy Committee Report-Out

Energy Element & Energy Policy | Energy Projects | Pause CCA Consideration

Ben Rickelman, Deputy County Administrative Officer · July 14, 2026

THE FRAMEWORK, AT A GLANCE

# Two complementary tracks

*An element and a policy answer different questions. The County can pursue both.*

ENERGY ELEMENT

## The "where"

An optional element of the County General Plan (Gov. Code § 65303) that governs where energy development goes.

- Overlay zones where energy is encouraged
- Community visioning process
- Protections for scenic, ag & tribal areas
- Integrated with zoning for predictability

**DELIVERY:** Consultant-led · needs an RFP

ENERGY POLICY

## The "how"

A Board policy for how the County secures community benefits when an energy project comes forward.

- Community-benefit terms
- Negotiated development agreements
- A repeatable template to negotiate from
- Defensible against a "tax" challenge

**DELIVERY:** In-house · no consultant needed

TRACK 1 · THE ENERGY ELEMENT

# A land-use blueprint for energy

## Three California models worth studying

### Imperial County

Renewable Energy & Transmission Element — a geothermal overlay with a programmatic EIR. Closest analog to Lake County.

### San Bernardino County

Renewable Energy & Conservation Element — leads with siting protections for sensitive areas.

### Kern County

No formal element, but a de-facto system: by-right zoning and a standing benefits program.

### WHAT AN ELEMENT DELIVERS

- Predictability for County and developers
- Local protections in the General Plan
- Possibly pre-cleared siting via front-loaded CEQA in the future

### BOARD DIRECTION SOUGHT

**Authorize an RFP for a County energy element —financed from economic development funds.**

Energy Projects Activity

# Where things stand today

# 1

Permitting application received to date

**The Morgan Valley Wind Farm** is the only energy project to file a permitting application with the County, so far.

### WHY A FRAMEWORK STILL MATTERS NOW

Several energy projects may proceed to a formal application. Projects evaluating Lake County are currently performing due diligence before possibly proceeding with local and state permitting processes.

### BOARD DIRECTION SOUGHT

**Should the Committee continue holding introductory meetings with energy developers and stakeholders?**

They build relationships and County leverage ahead of any application and provides preliminary feedback on potential community concerns.

RECOMMENDATION · COMMUNITY CHOICE AGGREGATION

# High Uncertainty Regarding the PCIA

### WHAT IS THE PCIA?

The Power Charge Indifference Adjustment (PCIA) is the per-kWh "exit fee" Investor-Owned Utilities bills customers who leave for a CCA, repaying legacy generation it committed to before they left (Pub. Util. Code § 366.2). Set yearly by the California Public Utilities Commission.

### It swung hard

**$2.5B**

PG&E's indifference amount ranged from over $2.5 billion down to a few tens of thousands.

### The CPUC ruled that the formula was flawed

**2025**

The CPUC found a benchmark was manipulable, understating the market value used to set it.

### It reset higher

**2026**

The correction pushed the PCIA sharply higher and more volatile, shrinking CCA savings.

**For Lake County:** in PG&E territory, any CCA savings projection must be stress-tested against an elevated, moving exit fee.

RECOMMENDATION · CCA MEMBERSHIP

# Two proceedings must resolve first

*Until they do, the exit-fee line in any CCA pro forma is a wide confidence band — not a point estimate.*

### 1 · THIRD APPELLATE DISTRICT

**Is the reset lawful?**

California Community Choice Association's Dec. 2025 writ petition challenges CPUC's Decision 25-06-049 as unlawful retroactive ratemaking. Review is discretionary. A merits outcome most plausibly lands in 2027.

### 2 · TRACK 3 OIR (R.25-02-005)

**The structural overhaul**

Called the most consequential PCIA proceeding since 2017. It could reprice the entire cost-responsibility framework. Moving Lake County's exposure in either direction.

### RECOMMENDED ACTION

**Pause consideration of CCA membership** until the Third Appellate case is resolved and the Track 3 OIR is issued. Likely in 2027. At which point the Committee revisits and returns with a recommendation.

IN SUMMARY

# Requested Board direction

1

## Energy element — RFP

Authorize an RFP for a County energy element, financed from economic development funds. The companion policy will be developed in-house.

2

## Committee meetings

Direct whether the Ad Hoc Committee should continue introductory meetings with energy developers and stakeholders ahead of any application.

3

## CCA membership

Concur with pausing consideration of CCA membership until the Third Appellate case and Track 3 OIR resolve (est. 2027), then revisit.

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