



March 31, 2020

Lake City/County PSPS Committee
255 N Forbes Street
Lakeport, CA 95453

Re: Follow Up Regarding Proposed Lake County Substation and Backup Generation Projects

Dear Ms. Turner and the Lake City/County PSPS Committee:

I'm writing today to follow-up with you regarding our proposed temporary and permanent generation projects, including an update on Distributed Generation Enabled-Microgrid Services (DGEMS) substation sites in Lake County. We understand that the work to mitigate PSPS impacts is complex and dynamic. While it is our hope that this letter is able to answer some of the questions you raised about our Public Safety Power Shutoff (PSPS) mitigation work in Lake County, we also want to continue having discussions with you that will allow our technical experts to better explain our planned projects.

We appreciate the opportunities we have already had to engage with Lake County stakeholders and receive your feedback. This includes listening sessions with Lake County tribes on January 8 and the Lake County Board of Supervisors PSPS Committee on February 21, as well as the presentation to the Lake County Office of Emergency Services on February 24 and meetings on March 12 and 27.

Potential Temporary Generation and Temporary Microgrid Projects in Lake County

As you know, in December of 2019, PG&E issued a Request for Offers (RFO) that identified 20 substations throughout our service area as potential candidates for the placement of a permanent "distributed generation" power source (i.e., DGEMS) that could be used to provide power to safe-to-energize customers served by each substation. Through this program, we intended to place permanent generation units located at or near these substations. This would allow circuits not being impacted by severe weather (but served by transmission lines that are), to stay energized even during a large-scale, transmission-level PSPS event.

The four substations identified in Lake County for DGEMS included the Clear Lake Substation near Lakeport, Highlands Substation in Clearlake, Konocti Substation near Kelseyville and Middletown Substation in Middletown. These four sites are not currently feasible for permanent generation this year, due to a variety of factors, including the lack of proximity to natural gas and a lack of renewable energy bids, among other limitations. We have now turned to alternative solutions and are working on temporary generation at substations and the construction of temporary microgrids to mitigate PSPS impacts.

The projects we are pursuing for Lake County in 2020 are outlined in greater detail below and, as CEO Andy Vesey noted at the meeting you had in January, are a high priority for PG&E. Please note that the feasibility of each project is still being assessed and the timing and details of each may change due to a variety of factors. In addition, these solutions are subject to the availability of and our ability to deploy temporary generators during any given PSPS event.

We have appreciated the opportunity to meet with you to discuss these projects in recent months and we are committed to ongoing meetings and keeping you updated as the projects develop.

Placing Temporary Generation at Four Lake County Substations

Highlands Substation in Clearlake

We are pursuing the use of temporary generation to power circuits served by the Highlands Substation if they are safe to energize. "Safe to energize" means that the circuits are not in the severe weather footprint or are in a lower fire-risk area (i.e. Tier One of the CPUC's high fire-threat district map). This solution would only be operated during transmission-level PSPS events with minimal distribution impacts, with the goal of reducing customer impacts to Clearlake, Lower Lake and surrounding unincorporated areas. This solution is subject to the availability of temporary generators during any given PSPS event. Note, because the substation is located in a high fire-threat

area, it will not be operated if it is impacted by extreme weather conditions. This area may also be supported by the City of Clearlake temporary microgrid project outlined in the next section.

Clear Lake Substation Near Lakeport

We are pursuing the use of temporary generation to power circuits served by the Clear Lake Substation if they are safe to energize. Again, this solution would only be operated during a transmission-level PSPS event with minimal distribution impacts, with the goal of reducing customer impacts to Lakeport, Finley, portions of Kelseyville, Soda Bay and Big Valley. This solution is also subject to the availability of temporary generators during any given PSPS event. We are aiming to complete the substation upgrades needed to connect the temporary generation source in 2020. This area may also be supported by the Lakeport Area temporary microgrid project outlined in the next section.

Konocti Substation Near Kelseyville

We are pursuing the use of temporary generation to power circuits served by the Konocti Substation if they are safe to energize. Again, this solution would be operated only during a transmission-level PSPS event with minimal distribution impacts, with the goal of significantly reducing customer impacts to Riviera, Riviera Estates, Jago Bay, Jones Bay, Glenview, Mount Hannah, Cobb, Ettawa Springs, portions of Kelseyville and portions of Lower Lake. This solution is also subject to the availability of temporary generators during any given PSPS event.

This project has several complications that will require strict operational limits. The assets involved will need significant additional review due to the substation's extensive reach into high fire-threat areas with heavy fuel loads, steep terrain and micrometeorology on Mount Konocti. The substation itself is also located in a high fire-threat area and will not be operated if it is impacted by extreme weather conditions.

Middletown Substation

We are pursuing the use of temporary generation to power circuits served by the Middletown Substation if they are safe to energize. Due to technical limitations and land availability, PG&E may not be able to have temporary generators at this substation site. As an alternative, we are also exploring temporary microgrid options to energize this area for both transmission- and distribution-level PSPS events. The potential Middletown temporary microgrid project is outlined in the next section.

Constructing Temporary Microgrids in Lake County

City of Clearlake

In coordination with the City of Clearlake, we are exploring the feasibility of implementing a temporary microgrid that would be operated during a distribution-level PSPS event. This microgrid would support critical resources and essential customers in Clearlake during a PSPS event by energizing overhead distribution assets in non-high-fire threat areas and undergrounded assets in high fire-threat areas. We are aiming to complete this project in 2020.

Lakeport Area

In coordination with the City of Lakeport, we are exploring the feasibility of implementing a limited-size temporary microgrid powered out of the Clear Lake Substation that would be operated only during a distribution-level PSPS event. This microgrid would support critical resources and essential customers in Lakeport and Big Valley during a PSPS event by energizing overhead distribution assets in non-high-fire threat areas and undergrounded assets.

Middletown Area

In coordination with Lake County, we are exploring the feasibility of implementing a limited-size temporary microgrid for Middletown that would be operated only during a distribution-level PSPS event. This microgrid would support Middletown's commercial district, schools and some residential areas during a PSPS event by energizing overhead distribution assets in non-high-fire threat areas and undergrounded assets.

Because these are complex projects, we realize a letter is not necessarily the best way to convey all project details, and we look forward to continuing our conversations with you as more information becomes available. As always, we deeply appreciate your patience and cooperation with these efforts. Please do not hesitate to reach out to your Local Public Affairs Representative Alison Talbott with any additional questions or concerns you may have, so that we may address them in future conversations.

Sincerely,

Aaron Johnson
Vice President, Wildfire Safety and Public Engagement
Pacific Gas and Electric Company



*Pacific Gas and
Electric Company*
