

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

AGENDA ID # 16359
RESOLUTION E-4894
April 26, 2018

R E S O L U T I O N

PG&E Resolution E-4894 Willow Creek Land Retained Pursuant to D.03-12-035. Request for Approval under Advice Letter (AL) 5122-E.

PROPOSED OUTCOME:

- This Resolution denies the protest of Mark and Stephanie Lloyd and approves the donation of a Conservation Easement over the approximately 241 acre Willow Creek Property as requested by PG&E AL 5122-E.

SAFETY CONSIDERATIONS:

- Effective administration of PG&E's Land Conservancy Commitment (LCC) is part of the responsibility of PG&E to meet their obligations under Public Utilities Code Section 451 to provide services that promote the safety, health, comfort, and convenience of their patrons, employees and the public.

ESTIMATED COST:

- The Commission approved the LCC with funding at \$70 million. Ongoing fees for managing the Conservation Easement are to be covered by the previously authorized LCC funding.

By Advice Letter 5122-E filed on August 15, 2017.

SUMMARY

This Resolution approves PG&E's AL 5122-E, with an effective date of today. On August 15, 2017 PG&E filed Advice Letter 5122-E, requesting approval under Public Utilities Code Section 851, for the Willow Creek Conservation Easement Donation.

Pursuant to PG&E's LCC approved in D.03-12-035, PG&E proposes encumbering with a perpetual Conservation Easement approximately 241 acres of land in

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Madera County known as Willow Creek (Property). The Sierra Foothill Conservancy, a California non-profit public benefit corporation, will hold the Conservation Easement. This donation is being made in the public interest with the intent to provide for: (1) the preservation of land areas to protect the natural habitat of fish, wildlife, and plants, forest resources on the property, the scenic viewshed of the Property, outdoor recreation, and identified historic and cultural values by restricting any use of the Property that would significantly impair or interfere with the protection of those values. This donation is in accordance with the terms and conditions specified in the PG&E Bankruptcy Settlement Agreement and Stipulation that were approved by the Commission (CPUC) in D. 03-12-035.¹

BACKGROUND

On April 6, 2001, PG&E filed for Chapter 11 bankruptcy protection. Two years later, CPUC approved a Settlement Agreement under which PG&E Watershed Lands would be subject to Conservation Easements and/or be donated in fee simple to public entities or non-profit organizations for the benefit of the public. Pursuant to the Settlement Agreement, the Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) was established in 2004 to develop a plan to permanently protect, for the benefit of the citizens of California, more than 140,000 acres of Watershed Lands currently owned by PG&E.

Located primarily in the Sierra Nevada and Cascade Mountain range watersheds, the PG&E Watershed Lands contain some of the most pristine and resource-rich landscapes found in the state. The properties are diverse and geographically remote, located in 21 counties from the northern reaches of the state to the southern end of the Central Valley.

¹ The Settlement Agreement provides a substantially increased opportunity for environmentally beneficial use and access by the public to 140,000 acres of land associated with PG&E's hydroelectric facilities, without compromising the ability of PG&E to generate electricity from those facilities. In 1999 PG&E proposed to sell these lands to the highest bidder. The Settlement Agreement would remove forever that possibility, and replace the specter of loss of public control with the promise of perpetual public access. (D.03-12-035, pages 61, 62.)

Protecting the Watershed Lands will be accomplished through (1) PG&E's grant of CEs to one or more public agencies or qualified conservation organizations so as to protect the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values (collectively the Beneficial Public Values), and (2) PG&E's donation of the Watershed Lands in fee simple to one or more public entities or qualified conservation organizations, whose ownership would be consistent with these conservation objectives. This effort is known as PG&E's "Land Conservation Commitment" (LCC).

As required by D.03-12-035, the Stewardship Council prepared a Land Conservation Plan (LCP) to establish a framework for the conservation and/or enhancement of the Watershed Lands, and to ensure the permanent protection of these lands for the benefit of current and future Californians. To address the challenge of a conservation effort of this large scope, and to facilitate engagement of a wide range of stakeholders and interested members of the public, the Stewardship Council grouped the Watershed Lands into 47 planning units and established a phased approach to development and implementation of the LCP.

In 2007, the Stewardship Council Board adopted Volumes I and II of the LCP:

Volume I: The Land Conservation Framework establishes the overall framework for the LCP, including legal requirements, the planning process, methodologies, public involvement, and relevant regulatory processes.

Volume II: Planning unit Concepts documents existing conditions and presents management objectives, potential measures, and conceptual plans to preserve and/or enhance the Beneficial Public Values (BPVs) within each planning unit. The management objectives for the Willow Creek Property are:

1. Preserve and protect habitat for plants, trees and wildlife that are native to the area, including species protected under the California Endangered Species Act. The term "habitat" includes vegetation along banks and shorelines that contribute to maintaining watershed health. The term "native" refers to plant and animals that occur naturally on the Property, and are defined as "native" by the California Department of Fish and Wildlife and its successors.

2. Protect forest resources on the property. Forest resources consist of mid-elevation Sierra Nevada oak woodland and annual grassland forest type and riparian vegetation that provide habitat for wildlife and fisheries.
3. Outdoor recreation such as fishing and hiking.
4. Preserve the scenic viewshed of the Property in keeping with the surrounding environment, providing a forested landscape and open grassland, as well as views of the waterbodies on the Property.
5. Preserve identified historical and cultural values, to the extent they are protected by state and federal law.

Volumes II and III also document existing economic uses.

Volume III: Land Conservation and Conveyance Plans (LCCPs) to be issued serially and cumulatively will encompass a series of real estate transaction packages that will detail the specific land conservation and/or disposition requirements for each parcel or cluster. LCCPs represent the Stewardship Council's recommendations for preserving and/or enhancing the BPVs of the Watershed Lands to PG&E, and are intended to support required regulatory approvals of the land transactions.²

Specifically, the LCCP produced for each parcel will incorporate the 10 programmatic objectives of the LCP as identified in the Stipulation that was an integral part of the Proposed Settlement Agreement adopted in D.03-12-035. These 10 programmatic objectives, which are intended to govern how the LCP is implemented for each and every Watershed Parcel, include: 1) reasonably exact estimates of acreage, by parcel, within or outside licensed project boundaries, and existing economic uses (including all related agreements); (2) objectives to preserve and/or enhance beneficial public values, as defined in the Settlement Agreement, Appendix E, of each individual parcel; (3) a recommendation for

² The LCCP addresses the requirements set forth in Section 12(a) of the "Stipulation Resolving Issues Regarding the Land Conservation Commitment" September 25, 2003.

grant of a conservation easement or fee simple title for each such parcel; (4) a finding that the intended recipient of such easement or fee simple title has the funding and other capacity to maintain that property interest so as to preserve and/or enhance the beneficial public values thereof; (5) an analysis of tax and other economic and physical impacts of such a disposition strategy, and a commitment by an appropriate entity to provide property tax revenue, other equivalent revenue source, or a lump sum payment, so that the totality of dispositions in each affected county under this Land Conservation Commitment will be “tax neutral” for that county³; (6) a disclosure of all known hazardous waste or substance contamination or other such environmental liabilities associated with each parcel; (7) appropriate consideration of whether to split any parcel which is partly used or useful for operation of PG&E’s and/or co-licensee’s hydroelectric facilities, where the beneficial public values of the unused part may be enhanced by such split, provided it is consistent with Section 12(b)(4) of this stipulation; (8) a strategy to undertake appropriate physical measures to enhance the beneficial public values of individual parcels; (9) a plan to monitor the economic and physical impacts of disposition and implementation of enhancement measures on the applicable management objectives; and (10) a schedule for the implementing transactions and measures.

Advice Letter 5122-E Willow Creek Conservation Easement Donation Land Conservation and Conveyance Plan (LCCP)

In compliance with the Stipulation 12(a) requirements, the following disclosures are included in all Watershed Lands Section 851 advice letter filings:

Acres and Property Description

³ The Stewardship Council has agreed that it is the appropriate entity to provide property tax revenue, drawing from the \$70 million provided to the Stewardship Council to implement the Land Conservation Commitment. In Finding #14 of Resolution E-4644, which was approved on August 14, 2014, the Commission made the following finding: The Commission agrees with the Stewardship Council that the tax neutrality payment to Tehama County may come from the LCC fund. (Deer Creek LCCP, November 14, 2003).

The Property, identified as the Willow Creek Planning unit, Parcels 1055-1058, total approximately 241 acres, and will be retained by PG&E subject to a perpetual conservation easement held by the Sierra Foothill Conservancy.⁴ The Property is located in Madera County, just south of the towns of North Fork and South Fork. County Road 222 passes through the center of the Property. The Property is situated between 800 and 1,600 feet mean sea level and includes significant hydropower facilities associated with the San Joaquin No. 1A and San Joaquin No. 2 developments, which are part of the Crane Valley Project.

Terrestrial habitats throughout the Property include a mix of oak woodland and manzanita-dominated brush that support a variety of wildlife. The Property is within the range of the San Joaquin deer herd and may be used as wintering range.

Adjacent and Nearby Land Owners

The Property is surrounded by private property and National Forest System lands managed by the Sierra National Forest. The parcels can be accessed from County Roads 200 and 222, as well as unnamed roads off County Roads 200 and 222.

Existing Economic Uses and Agreements

There are recorded encumbrances on the Property for a public highway and road, canal/water ditch, private road, ingress/egress, public right-of-way in the form of an offer of dedication, powerline, and County Road 222. There are no unrecorded or existing agreements for economic uses on the Property to be retained by PG&E within the Willow Creek Planning unit.

Objectives to preserve and/or enhance the Beneficial Public Values

⁴ Sierra Foothill Conservancy P.O. Box 691, 5065 Highway 140, Suite G, Mariposa, CA 95338

The Land Conservation Commitment provides that “PG&E shall ensure that the Watershed Lands it owns...are conserved for a broad range of beneficial public values (BPVs) including the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values.”

The following text lists the objectives for each Property BPV that the Stewardship Council Board approved in LCP Volume II, as well as a description of how the conservation easement addresses each objective and each applicable BPV.

1. *Preserve and enhance habitat in order to protect special biological resources and wilderness values.*

The conservation easement includes a list of BPVs that will be protected including the following BPV: “Habitat for plants, trees and wildlife that are native to the area, including species protected under the California Endangered Species Act and/or the federal Endangered Species Act.

2. *Preserve open space in order to protect natural and cultural resources, viewsheds, and the recreation setting.*

The conservation easement will conserve the scenic character of the property by ensuring that no further development will occur unless specifically authorized or permitted by the conservation easement.

3. *Enhance the recreational facilities in order to provide additional public access, and education and recreational opportunities.*

The conservation easement identifies that outdoor recreation such as fishing and hiking as a BPV to be protected. Furthermore, the conservation easement provides that the landowner will allow public access on the property at levels substantially consistent with those existing at the time the conservation easement is recorded, subject to PG&E’s Hydro Reserved Rights and right to make reasonable rules and regulations.

4. *Develop and implement forestry practices in order to contribute to a sustainable forest, preserve and enhance habitat, enhance surrounding wilderness values, as well as to ensure appropriate fuel load and fire management.*

Forest management activities will be subject to compliance with applicable laws and conducted as further described and allowed in the conservation easement.

5. *Identify potential grazing opportunities in order to enhance agricultural resources and related economic benefits.*

There is currently no managed grazing within the planning unit.

6. *Identify and manage cultural resources in order to ensure their protection.*

The conservation easement will protect historic and cultural resources (as defined in Title XIV of the California Code of Regulations) on the Property consistent with applicable laws and regulations.

Recommendation for Conservation Easement and Fee Simple Retention

All 241 acres of the Property (parcels 1055-1058) will be retained in fee by PG&E and protected in perpetuity by a Conservation Easement.

Finding of Donee Funding and Other Capacity to Maintain Lands to Preserve and/or Enhance the BPVs

The Stewardship Council invited organizations to join its registry and submit a statement of qualifications (SOQs). The Stewardship Council then reviewed the SOQs, and organizations that appeared capable were invited to submit additional information describing their qualifications. Organizations demonstrating sufficient experience holding and enforcing Conservation Easements, sufficient financial and organizational capacity, and which the Stewardship Council has determined to be best-suited to receive a donation of CEs within particular Watershed Lands are recommended to PG&E to receive CEs.

At the conclusion of the selection process, the Stewardship Council board found that Sierra Foothill Conservancy (SFC) has the funding and other capacity to maintain the property interest so as to preserve and/or enhance the BPVs. Sierra Foothill Conservancy was established in 1996 and holds 23 conservation easements on over 17,000 acres in Fresno, Madera, eastern Merced, and Mariposa counties. Sierra Foothill Conservancy is governed by a 15 member board of directors.

Analysis of Tax and Other Economic and Physical Impacts

The Settlement and Stipulation adopted by D.03-12-035, requires that the LCCP provide: “an analysis of tax and other economic and physical impacts of such a disposition strategy, and a commitment by an appropriate entity (which may be PG&E, subject to being authorized by the Commission to fully recover in rates any such costs in approving PG&E’s Section 851 application or in another appropriate Commission proceeding, Stewardship Council, donee, or a third party, depending on the individual circumstances) to provide property tax revenue, other equivalent revenue source, or a lump sum payment, so that the

totality of dispositions in each affected county under this Land Conservation Commitment will be “tax neutral” for that county”.⁵

To achieve property tax neutrality, the Stewardship Council has developed a methodology to establish a standard payment process when lands are transferred to organizations that are exempt from paying property taxes. The methodology would be applied to all counties that experience a loss in property tax revenue due to a fee title donation. Because PG&E is retaining fee title ownership of all 241 acres within the Willow Creek Property, PG&E will continue to pay property taxes to Madera County as assessed by the State Board of Equalization.

The Settlement and Stipulation require an analysis of the physical and economic impacts of each disposition. The agreements for the conservation easement over the Willow Creek Property have not mandated any changes to the physical or economic uses and PG&E intends to manage the lands in a manner consistent with the current physical and economic uses.

No new activities are proposed that will result in physical impacts.

California Environmental Quality Act

The Stewardship Council did not identify any physical measures to enhance the BPVs of the Property. While transfers of ownership of utility property under Public Utilities Code Section 851 may have an environmental impact, and accordingly constitute projects under the California Environmental Quality Act (CEQA), here the proposed retention of the Property parcels 1055-1058 and donation of conservation easement to SFC results in no proposed changes to land uses; thus no direct or indirect environmental impacts will occur as a result of the donation. Therefore, the transaction is exempt due to the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and does not require review under CEQA.

Hazardous Waste Disclosure

⁵ Stipulation Resolving Issues Regarding The Land Conservation Commitment (page 8)

The stipulation states that in the transfer of fee title and conveyance of a conservation easement, PG&E will disclose all known hazardous waste, substance contamination, or other such environmental liabilities associated with each parcel and hold the donee harmless. The hazardous waste disclosure found no potential hazardous waste, substance contamination, or other such environmental condition on the Property.

Consideration of Parcel Split

PG&E will retain fee title to all 241 acres within Property Willow Creek planning unit parcels 1055-1058. Therefore, there is no need for a parcel split.

Strategy for Physical Measures to Enhance BPVs

The Stewardship Council has not identified any physical measures to enhance the beneficial public values of the Property. The Stewardship Council is developing a grant program to fund enhancements on the Watershed Lands in the future. Grant funding will be available to accomplish any number of potential future physical measures such as developing trails, day use areas, and other public access improvements.

Monitoring Plan for the Economic and Physical impacts of Disposition and Implementation of Enhancement Measures

The Stipulation requires that the LCCP outlines a plan to monitor the economic and physical impacts of disposition and implementation of enhancement measures. The conservation easement holder is required to monitor every conservation easement that it holds to ensure that the landowner is complying with the terms of the easement in perpetuity. The Stewardship Council has entered into a Conservation Easement Funding Agreement with SFC whereby the Stewardship Council will provide a monitoring and enforcement endowment to fund SFC's monitoring activities on the Property.

NOTICE

Notice of AL 5122-E was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

Advice Letter AL 5122-E was protested by Mark and Stephanie Lloyd. The protest was timely filed on September 7, 2017.

Protest of Mark and Stephanie Lloyd

Mark and Stephanie Lloyd object to the Willow Creek Donation for the following reasons:

1. The area designated for donation has a history of wild fires including the Corrine fire, Willow fire and Mission fire. Increased public use will exacerbate the risk of future wildfires.
2. The property is comprised of rugged terrain and access to Willow Creek is difficult. Other PG&E parcels are more suited to donation from a conservation and public use standpoint.
3. The Lloyd's property was purchased in 2012 and the Lloyds received no notification that a neighboring property would be eligible for donation. The Lloyds fear that the donation may result in enhanced access that will enable more people to visit the Willow Creek Property.

PG&E Reply to Mr. and Mrs. Lloyd

On September 25, 2017 PG&E responded to the protest of Mark and Stephanie Lloyd. PG&E points out that the donation of the Property is in compliance with the LCCP and D. 03-12-035. PG&E notes that the Lloyd's mistakenly assume that Advice 5122-E seeks authorization for a donation of an interest in the Property that provides SFC with the right and ability to change the use of the Property. A PG&E representative made several attempts at contacting the Lloyd's to clarify the purpose of Advice 5122-E. There has been no response from the Lloyd's.

PG&E understands the potential public confusion about implications of CPUC authorization of Advice 5122-E as the LCCP contains references to the Stewardship Council's LCP Volume II which articulates opportunities to enhance recreational facilities to provide additional public access. PG&E points out that it is important to know that LCP Volume II is merely a representation of

prospective and conceptual opportunities for enhancing the Property identified by the public at the time the LCP was developed. It is not a proposal for a specific plan for any such enhancement.

Additionally, PG&E points out that the proposed Conservation Easement does not authorize or otherwise encourage new or increased public access or use of the Property. Rather, it preserves and protects current access and uses, but ensures that PG&E will be able to impose reasonable rules and restrictions on access to ensure the BPVs are not harmed, mitigate public and employee safety risks, comply with any laws, rules, or regulation governing the management of the Property, and to accommodate any operational requirements. Finally, specific prescriptions are established by the Conservation Easement to protect the BPVs, such as cultural and historic resources, including annual monitoring by the Conservation easement holder to ensure such values are not being impacted by the use and management of the Property.

DISCUSSION

The Commission understands that the purpose of the conservation easement is to protect the beneficial public values (BPVs) identified on the Property and to preserve public access as it exists today. Since PG&E will retain the Property, the conservation easement does not provide Sierra Foothill Conservancy a right to manage the property, or otherwise authorize a specific change of use. Instead, the purpose of the Conservation Easement is to protect the BPVs identified on the Property and to preserve public access at the present level. The Conservation Easement does not create any management authority for the conservation easement holder, nor does it authorize any specific enhancements or changes in use that could result in increased risk to the Lloyds. In fact, the annual monitoring of the site related to the administration of the Conservation Easement will create greater opportunity to identify and resolve unauthorized uses of the lands such as those listed in the Protest.

The Protest has made the Commission aware of the fire history of the Property including the Willow Fire in 2015 and the Mission Fire in 2017. To learn more about the fire history of the Property and possible fire mitigations, Energy Division staff contacted PG&E. On October 2, 2017 PG&E responded, acknowledging the fire history of the Property and explaining that the region is fire prone but the condition is endemic to most steep Sierra foothill watersheds and canyons.

Clearly, this region is prone to fires. However, the Commission is in agreement with PG&E that fire risk in this area is due to a broader landscape level management regime rather than the management of the particular parcels associated with the Property. Furthermore, the Commission is in agreement with PG&E that the opportunity for fuels treatment on the Property that result in meaningful fire risk reduction for the surrounding areas is limited given the steep terrain and limited size of the relevant parcels. Currently, PG&E reports having no plan for fuel reduction activities on the Property, but will continue to evaluate ongoing needs for future action consistent with its ordinary course of business and in compliance with the terms of the Conservation Easement. However, the CPUC's Safety Enforcement Division is in the process of implementing Senate Bill 1028, which requires utilities such as PG&E to submit wildfire mitigation plans. Cal Fire and the CPUC will review and comment on those plans.

The Commission believes that concerns expressed in the Lloyd's Protest are unwarranted under the circumstances of the donation of the Willow Creek Conservation Easement. There is nothing inherent in the donation that will exacerbate the current impacts on, or significantly change the condition of the Property. In fact, the additional protections provided by the Conservation Easement will ensure that the property is never developed, even if the parcel is sold by PG&E at some point in the future. The Lloyd's can take comfort in knowing that the Conservation Easement is legally binding and will protect the Property in perpetuity. The Lloyd's should also find assurance in knowing that while PG&E will continue to own the Property, the SFC will conduct annual monitoring of the Property, providing greater opportunity to identify and resolve unauthorized uses of the land such as those listed in the Lloyd's Protest.

The Commission has reviewed PG&E AL 5122-E, including the attached Willow Creek LCCP, the filed Protest, and the response of PG&E, and finds that this proposed donation is consistent with the recommendation contained in the LCCP, the spirit of the PG&E's Land Conservation Commitment, the direction provided in D.03-12-035.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. The Commission approved a PG&E bankruptcy settlement Agreement in D.03-12-035. Among other things, the Settlement Agreement contained provisions for certain environmental benefits. Those benefits included the adoption of the Land Conservation Commitment, which established provisions to permanently protect and enhance the approximately 140,000 acres of PG&E's watershed lands associated with its hydroelectric system, plus the 655 acre Carrizo Plains property in San Luis Obispo County.
2. D.03-12-035 established a Land Conservation Plan process and also helped establish a non-profit corporation named the Pacific Forest and Watershed Lands Stewardship Council to oversee the implementation of the Land Conservation Commitment and to carry out environmental enhancement activities.
3. D.03-12-035 authorized the creation of the Land Conservation Commitment and required PG&E through retail rates, to fund the Stewardship Council with \$70 million over 10 years to cover both the administrative expenses and the costs of environmental enhancements to the protected lands. D.03-12-035 also adopted the "Stipulation Resolving Issues Regarding the Land Conservation Commitment". The "Stipulation Resolving Issues Regarding the Land Conservation Commitment", Section 12 (a) describes the 10 informational components to be contained in the disposition document developed by the Pacific Forest Watershed Lands Stewardship Council for each donated parcel.

4. D.08-11-043, modified by D.10-08-004 established a streamlined Section 851 process for Advice Letters related to the PG&E Land Conservation Commitment.
5. On August 15, 2017, PG&E filed Advice Letter (AL) 5122-E Willow Creek Land Retained Conservation Easement-Request for Approval under Public Utilities Code Section 851.
6. PG&E Advice Letter 5122-E complies with the streamlined procedures adopted by the Commission in D.08-11-043 as modified by D.10-08-004.
7. Advice Letter AL 5122-E was protested by Mark and Stephanie Lloyd. PG&E replied to the protests of AL 5122-E on September 25, 2017.
8. The PG&E response to the Lloyds clarified that AL 5122-E sought approval of the donation of a Conservation Easement over the Willow Creek Property, while PG&E retained fee simple interest in the Property. Furthermore, the donation would not provide Sierra Foothill Conservancy with the right and ability to change use of the Property.
9. In response to an Energy Division data request, PG&E provided additional information on the fire issues associated with the Willow Creek Property.
10. The protest of Mark and Stephanie Lloyd is dismissed. The clarifying information provided by PG&E demonstrates to the Commission that the conveyance of the proposed Conservation Easement on the Property is consistent with the requirements of the Settlement and Stipulation.
11. AL 5122-E contained a LCCP that was compliant with D.03-12-035. The Stewardship Council prepared a LCCP for the Willow Creek Planning unit conservation easement donation in compliance with D.03-12-035 and in accordance with the requirements set forth in Section 12(a) of the Stipulation Resolving Issues Regarding the Land Conservation Commitment.
12. In the LCCP, the Stewardship Council recommended that PG&E will retain, in fee-simple, the 241 acres of parcels (1055-1058) of the Willow Creek planning unit and subject those parcels to a perpetual conservation easement. The Foothill Sierra Conservancy was identified as the organization qualified to hold and manage the conservation easement over the property. The Stewardship Council documented in the LCCP the ability

of each organization to enhance the Beneficial Public Values of the Willow Creek parcels in compliance with D.03-12-035.

13. The Stewardship Council did not identify any physical measures to enhance the BPVs of the Willow Creek planning unit parcels. However, a grant program is available to fund future physical measures, if deemed appropriate by PG&E and the Sierra Foothill Conservancy.
14. A partial environmental assessment of the Property, consisting of a records search, site reconnaissance, interviews, limited soil samplings and a review of historical aerial photography was performed in 2010-2011 to identify potential environmental issues. No significant issues were identified during the assessment.
15. The proposed transaction constitutes no change in ownership and no proposed changes to land uses; thus no direct or indirect environmental impacts will occur as a result. Therefore, the transaction is exempt from review under the California Environmental Quality Act (CEQA). Accordingly, approval of this Advice Letter does not require review under CEQA.
16. PG&E will retain fee simple ownership of the land and will continue to pay property taxes to Madera County as assessed by the State Board of Equalization.
17. As recommended by the Pacific Forest and Watershed Stewardship Council, PG&E proposes to retain fee-simple title to the 241 total acres of the Willow Creek Planning unit parcels 1055-1058. The Willow Creek planning unit parcels will be protected by a Conservation Easement administered by the Sierra Foothill Conservancy.
18. The Stewardship Council has entered into a Conservation Easement Funding Agreement with the Sierra Foothill Conservancy to establish a monitoring endowment for costs Sierra Foothill Conservancy will incur for monitoring activities at the Willow Creek Property.

THEREFORE IT IS ORDERED THAT:

1. The request of Pacific Gas & Electric Company for approval of the Willow Creek Property Conservation Easement Donation as requested in AL 5122-E is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held April 26, 2018; the following Commissioners voting favorably thereon:

ALICE STEBBINS
Executive Director