

**CALENDAR ITEM  
C90**

A     4  
S     2

10/14/14  
PRC 6793.2  
C. Hudson

**REVISION OF RENT**

**LESSEE:**

Geysers Power Company, LLC

**AREA, LAND TYPE, AND LOCATION:**

0.89 acre, more or less, of State indemnity school land in a portion of Section 6, Township 11 North, Range 8 West, MDM, east of Cloverdale, Lake County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing above-ground 12-inch diameter steam pipeline and an unpaved access road.

**LEASE TERM:**

25 years, beginning March 20, 2010.

**CONSIDERATION:**

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from \$159 per year to \$450 per year, effective March 20, 2015.

**BACKGROUND:**

School Lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16<sup>th</sup> and 36<sup>th</sup> sections of land in each township (with the exceptions of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as Indemnity School Lands or Lieu Lands.

CALENDAR ITEM NO. **C90** (CONT'D)

**OTHER PERTINENT INFORMATION:**

1. On June 28, 2010, the Commission authorized a General Lease – Right-of-Way use with Geysers Power Company, LLC. The lease will expire on March 19, 2035.
2. The 12-inch diameter steel pipeline and unpaved access road are used by the Lessee in conjunction with its Geysers power plant. Geysers Power Company, LLC inspects its pipeline and access road annually.
3. The staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

**EXHIBIT:**

- A. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

Approve the revision of rent for Lease No. PRC 6793.2 from \$159 per year to \$450 per year, effective March 20, 2015.

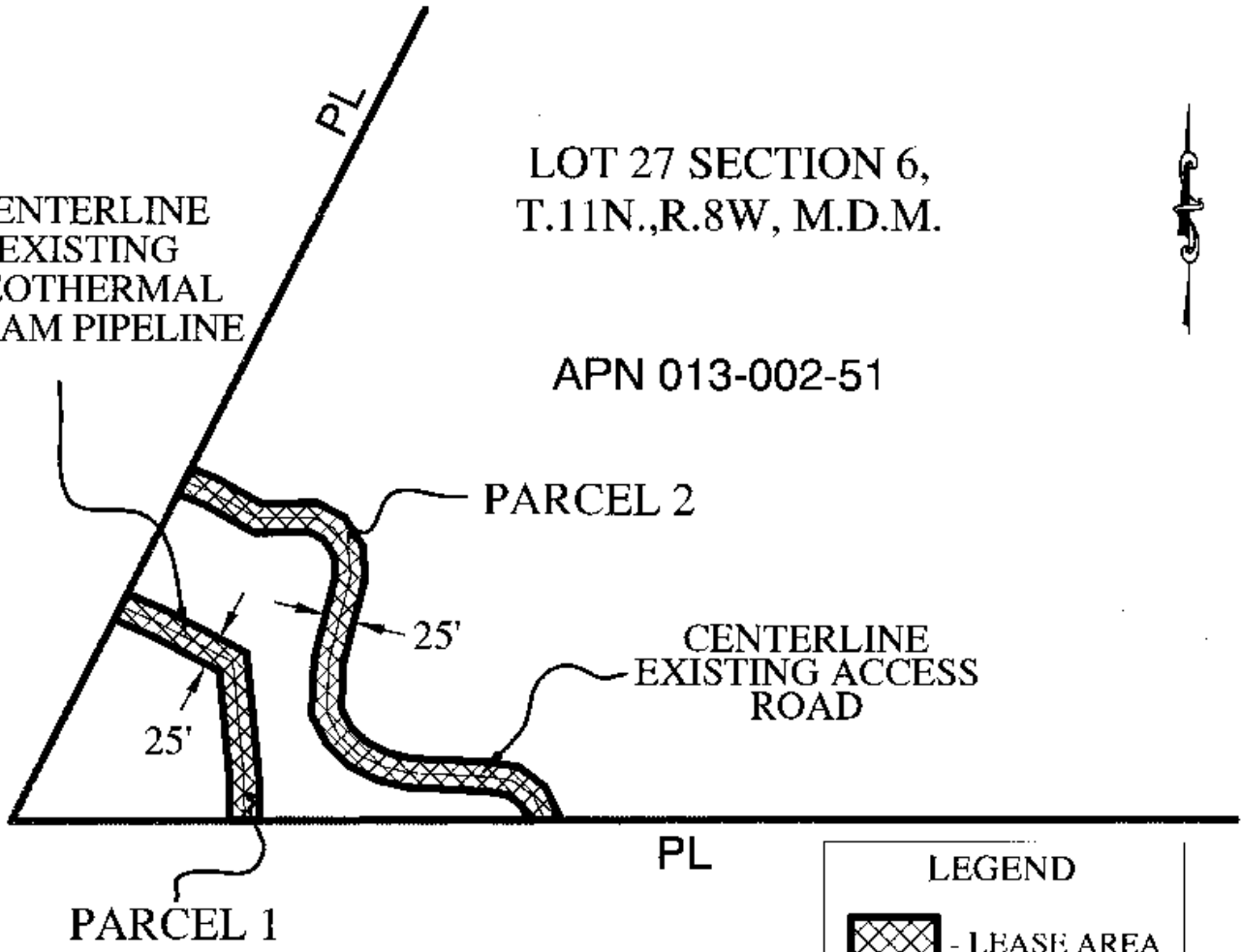
NO SCALE

# SITE

CENTERLINE  
EXISTING  
GEOTHERMAL  
STEAM PIPELINE

LOT 27 SECTION 6,  
T.11N.,R.8W, M.D.M.

APN 013-002-51



## LEGEND

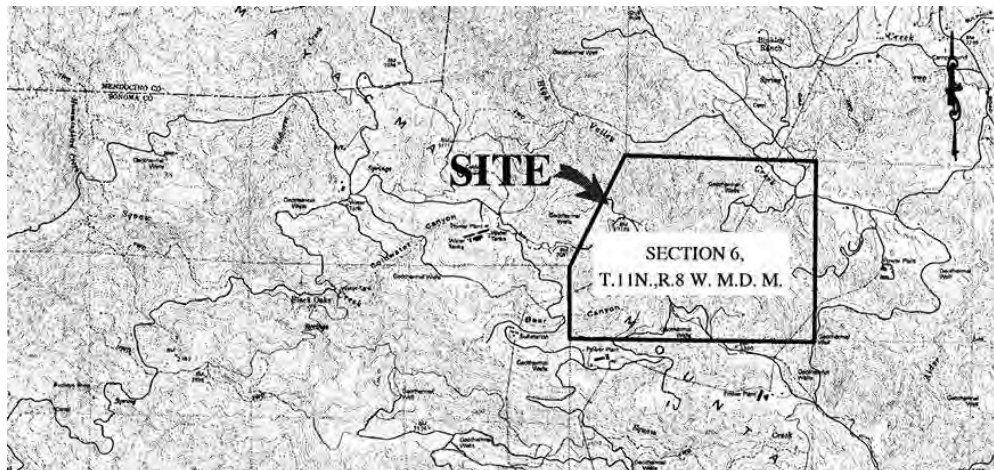


- LEASE AREA

STATE SCHOOL LANDS  
PORTIONS OF LOT 27, SECTION 6, T.11N.,R.8 W. MOUNT DIABLO MERIDIAN

NO SCALE

# LOCATION



MAP SOURCE: USGS QUAD

# Exhibit A

PRC 6793.2  
GEYSERS POWER CO., LLC  
APN 013-002-51  
GENERAL LEASE -  
RIGHT-OF-WAY USE  
LAKE COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.