

STAFF REPORT

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06/28/19

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PRC 8985.1

C. Hudson

**TERMINATION OF A GENERAL LEASE – DATA COLLECTION USE AND
ACCEPTANCE OF A LEASE QUITCLAIM DEED**

APPLICANT:

Pacific Gas and Electric Company (PG&E)

EXISTING LEASE:

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean adjacent to Diablo Canyon Power Plant, San Luis Obispo County.

AUTHORIZED USE:

Continued use and maintenance of four autonomous ocean bottom seismometer (AOBS) units.

LEASE TERM:

11 years, beginning March 29, 2012.

CONSIDERATION:

\$125 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

Public Trust and State's Best Interests Analysis:

On March 29, 2012, the Commission authorized the issuance of a General Lease – Data Collection Use, Lease No. PRC 8985.1, for a term of 11 years, to PG&E for the installation, operation, and maintenance of four temporary AOBS units and four long-term OBS units and an approximately 11.4-mile-long, 2-inch-diameter data/power transfer cable in response to California AB 1632 of 2006 (AB 1632) and the California Energy Commission's related 2008 final AB 1632 Report to assess major seismic events of existing nuclear power plants within the State ([Item C95, March 29, 2012](#)). The lease will expire on March 28, 2023. The lease was

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amended on June 19, 2014, to replace the Land Description to reflect the final alignment of the data/power transfer cable ([Item C68, June 19, 2014](#)). PG&E's long-term cabled OBS system failed and was non-repairable and therefore required the removal of both the long-term OBS units and the data/power transfer cable. Removal of the OBS units and cable was completed by May 22, 2015, and did not require discretionary action from the Commission. However, PG&E requested an amendment to the lease to allow the four AOBS units to remain in place for the remainder of the lease term. That action was authorized by the Commission on August 9, 2016 ([Item C40, August 9, 2016](#)).

PG&E concluded operation of the Point Buchon Autonomous Ocean Bottom Seismometer Array Project with final recovery of the four AOBS units on November 15, 2017. On May 17, 2018, PG&E notified staff of its intent to surrender Lease No. PRC 8985.1, and its desire to release its obligation to operate the AOBS units. Staff informed PG&E that a discretionary action would be required to terminate the lease. PG&E has applied to the Commission to terminate the lease, effective June 28, 2019.

The lease premises have been fully restored and the Lessee has complied with the terms of the Lease. Terminating the Lease makes the lease area available for other Public Trust consistent uses and reduces administrative burdens.

Climate Change:

All project components were removed on November 15, 2017. There are no improvements within the lease area therefore, nothing that would be affected by climate change or sea-level rise.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects an application to terminate a lease, it exercises legislatively delegated authority and responsibility as a trustee of the State's Public Trust lands as authorized by law.
2. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
3. Termination of the lease and acceptance of a quitclaim deed are not projects as defined by the California Environmental Quality Act because

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they are administrative actions that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that terminating the lease will not substantially interfere with the public rights to navigation or with the common law Public Trust Doctrine and is in the best interests of the State.

AUTHORIZATION:

Authorize termination of Lease No. PRC 8985.1 issued to Pacific Gas and Electric Company and acceptance of a lease quitclaim deed, effective June 28, 2019.

EXHIBIT A

PRC 8985.1

LEGAL DESCRIPTION

4 Autonomous Ocean Bottom Seismometer sites

Four (4) circular parcels of submerged land in the bed of the Pacific Ocean, County of San Luis Obispo, State of California, lying adjacent to Rancho Canada de los Osos and Pecho y Isaly and having a radii of 50 feet emanating from the following described points:

1st) AOBS-1, Northing=2297364.119 feet, Easting = 5684679.087 feet

2nd) AOBS-2, Northing=2292504.853 feet, Easting = 5677148.105 feet

3rd) AOBS-3, Northing=2280163.220 feet, Easting = 5683150.144 feet

4th) AOBS-4, Northing=2262850.629 feet, Easting = 5695457.515 feet

The basis being the coordinates of an National Geodetic Survey Monument "DIABLO", PID: FV1575 having CCS83, Zone 5, US Survey feet, Epoch 1991.35 coordinates of Northing = 2274027.21 feet, Easting = 5714900.36 feet:

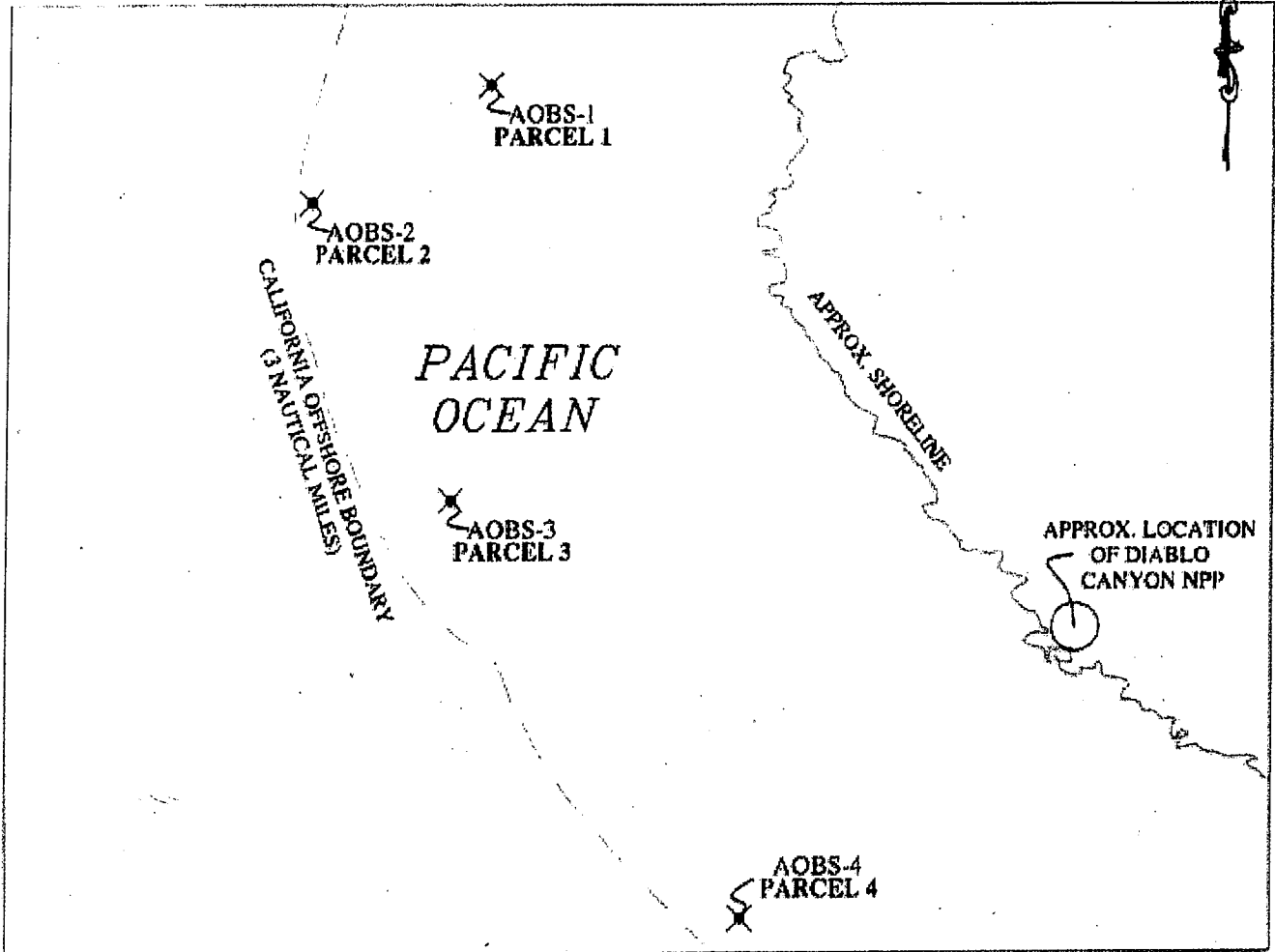
Prepared on April 28, 2016 by:



William L. Meagher
LS 5948 (Expires 12/16)

NO SCALE

SITE



Pacific Ocean, near Diablo Canyon NPP

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 8985.1
 PACIFIC GAS & ELECTRIC
 GENERAL LEASE -
 DATA COLLECTION USE
 SAN LUIS OBISPO COUNTY



MIF 6/13/16

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.