

# Staff Report

**TO:** Board of Directors  
**FROM:** Jennifer Hanson, General Manager  
**DATE:** May 13, 2026  
**SUBJECT:** PG&E Transmission System Acquisition

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## ***ADMINISTRATION***

### **RECOMMENDATION:**

Receive a verbal presentation on the District's previous high level investigation of acquiring Pacific Gas and Electric's (PG&E's) electrical transmission system within Nevada and Placer Counties, and provide input as to whether staff should reinstate this effort.

### **BACKGROUND:**

In September 2018, the District explored purchasing PG&E's electrical transmission system to become the retail electrical service provider to customers within the District's jurisdiction in Nevada, Placer, and Yuba counties. This effort continued into 2019, when the Board of Directors voted to discontinue the effort on December 11, 2019, due to cost and the increased wildfire risk borne by ratepayers.

Some of the specific challenges that were identified during the effort are summarized below:

- Cost of purchasing the system. Even at the low end of the potential purchase price, at \$200 million, it would cost current ratepayers \$480 to \$500 per year. Please note that the actual purchase price is likely to be substantially higher.
- Cost of grid integration (new lines, substations) not included in the purchase cost.
- Actual valuation of system by PG&E is unknown and it is unlikely that PG&E is interested in selling to NID (or anyone) segments of its systems.
- Ongoing maintenance concerns.
- Wildfire and other potential liability.
- Bonding capacity would be decreased for water projects.
- Costs and time associated with the acquisition period. In previous efforts by other entities, PG&E has spent tens of millions of dollars to oppose acquisitions. For example, the South San Joaquin Irrigation District has spent two decades trying to purchase the system and has spent roughly \$40 million on the effort, which is still under litigation.

Staff now seeks direction from the Board on whether to reinstitute investigating the potential acquisition of PG&E's transmission system.

**BUDGETARY IMPACT:**

If the Board desires to restart the effort to acquire the transmission system, the Annual Budget will need to be amended. Please note that no costs associated with this effort have been included in the water rate study, meaning if the Board directs staff to proceed, and due diligence efforts begin, it will be more difficult to potentially reduce future annual rate increases.

Attachments: None