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Date: September 14, 2021
To: Clackamas County Board of County Commissioners
From: Daniel Nibouar, Department of Disaster Management
Subject: Public-Private Partnership with PGE for Clackamas County to sponsor current and future FEMA Hazard Mitigation Grants for Mt Hood Corridor electrical utility infrastructure resilience projects

Summary:

Pacific General Electric (PGE) is seeking to partner with Clackamas County on their electric utility undergrounding project along Highway 26 in the Mt Hood Corridor over the next several years. This multi-year staged project will reduce the risk of electrical utility-generated wildfires in the Hoodland area while also reducing the system's vulnerability to wind, ice and other weather-related hazards. These long-term investments in risk reduction and community resilience will help ensure power for residents, businesses, and public services, like waste water treatment, from being disconnected from a natural disaster or interrupted due to a Public Safety Power Shutoff (PSPS). A Resilience Zone in the Welches area will ensure power for critical assets, such as fire and schools, and serve as a hub for community safety.

Partnership:

As a private utility, PGE is not eligible to apply for the FEMA Building Resilient Infrastructure for Communities (BRIC) grants, but the County is eligible and can sponsor the FEMA grant for PGE's work on behalf of the Mt Hood communities. In fact, the County's 2019 Multi-Jurisdictional Natural Hazard Mitigation Plan has existing goals and actions already identified to support public-private partnerships and encourage utilities to underground critical infrastructure.

Costs:

PGE estimates that over the next several years, the project will cost between \$400 million to \$600 million and they will annually seek the \$50 million project maximum FEMA BRIC grant funding that covers the 75% federal grant share. With the grant eligibility of the County, PGE intends to apply every year for this funding and to cover to 25% local match and project administration. There will be no cost to Clackamas County and the county will be compensated for any time required for compliance filings.

Process:

At this time, the County will need to submit a 2021 BRIC pre-application by September 23rd to the State for review and to be ranked for approval consideration. If approved, the County will then submit the full BRIC sub-application by January 17, 2022 for nationwide competition for BRIC grant funding. There is no obligation to the County by submitting the pre-application. All necessary administrative and legal procedures can be arranged prior to the full sub-application submittal.

Recommendation:

Staff respectfully recommends the Board approve the submittal of the BRIC pre-application in partnership with PGE. If the board approves, staff will bring forward to an upcoming consent agenda for your formal approval.

attachment: PGE BRIC one pager CC.pdf

cc: Gary Schmidt, County Administrator

Partnering to Create More Resilient Communities Along the Mt. Hood Corridor

The FEMA Building Resilient Infrastructure and Communities (BRIC) program provides grant assistance to states, local communities, tribes and territories as they undertake multi-faceted hazard mitigation projects that reduce risks from natural hazards and disasters such as wildfire and snow/ice. PGE and Clackamas County are interested in accessing these federal dollars to create more resilient communities and protect critical infrastructure along the Mt. Hood corridor.

The project, broken into four stages outlined below, will underground electricity lines and rebuild substations. This will help:

Reduce Customer Outages During all Weather Events

- Underground lines not subject to falling trees from snow/wind/ice
- Allows substations to remain energized in the event of a Public Safety Shutoff event

Reduce Fire Risk in the Mt. Hood Corridor

- Underground lines reduce risk of wildfires started by overhead utility-owned electric lines
- Minimizes wildfire risk to the Bull Run Watershed, which serves over one million Oregonians

Maintain Electricity to Critical Infrastructure and Services

- Bull Run Watershed has two generators that have limited fuel.
- Welches Resiliency zone to provide for critical services during extreme weather, including allowing PGE to keep the zone energized during a Public Safety Power Shutoff event and include onsite renewables, electricity storage and other technologies as they become available.

The proposed project will be completed in multiple stages, and will consist of the following:

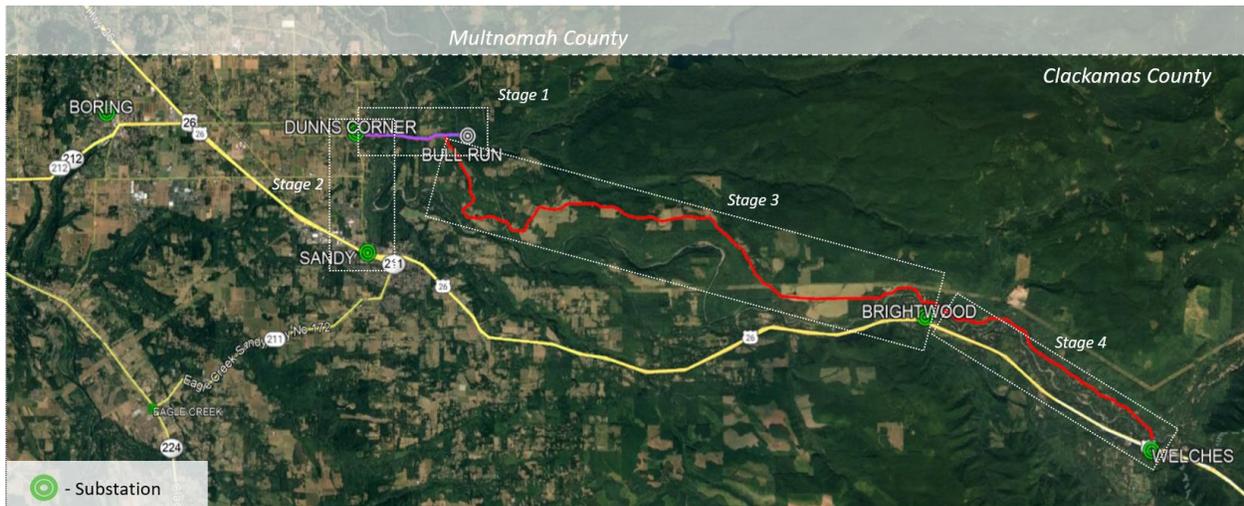
Stage 1 ~2022 - 2025	Stage 2 ~2024 - 2028	Stage 3 ~2027 - 2030	Stage 4 ~2029 - 2032
<ul style="list-style-type: none"> - Underground (12 miles) 57 kV and distribution lines serving the Bull Run watershed 	<ul style="list-style-type: none"> - Rebuild two substations: Boring & Sandy - Underground (2.5 miles) 57 kV line between Dunns Corner and Sandy - Welches Resiliency Zone 	<ul style="list-style-type: none"> - Rebuild one substation: Brightwood - Underground (12 miles) 57 kV line between Sandy and Brightwood 	<ul style="list-style-type: none"> - Rebuild one substation: Welches - Underground (5.5 miles) 57 kV line between Brightwood and Welches

PGE estimates all stages of the project will cost approximately \$400 million - \$600 million. This is a very rough estimate and is subject to variable labor and supply costs.

Given the scope and magnitude of the project, external funding and partnerships are crucial to implement this project. The FEMA BRIC grant covers a maximum of \$50 million per year and requires 25% local match. PGE intends to apply for this funding for each phase of the project, and to cover the 25% match through utility investment and leveraging other funds as they become available.

There will be no cost to Clackamas County and the county will be compensated for any time required for compliance filings.

Project Scope



Note: Red lines indicate where current utility lines exist. The undergrounding would likely not follow this same course and take place in the public right-of-way as much as possible.

Welches Resiliency Zone



Welches Resiliency Zone to provide for critical services during extreme weather, including allowing PGE to keep the zone energized during a Public Safety Power Shutoff event and include onsite renewables, electricity storage and other technologies as they become available. Red lines indicate where current utility lines exist. Undergrounding may follow a different course.

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