

LAKE COUNTY · BOARD OF SUPERVISORS

FLASHES

Microgrid Incentive Program Boundary Options

Option B4 vs. Option B5

AUGUST 4, 2026

Benjamin Rickelman · Deputy County Administrative Officer

Michael Day · Trane

Why the Boundary Matters

The boundary defines the area FLASHES is designed to serve. Driving infrastructure cost, who receives resilience benefits, and long-term project economics.

1

Two options on the table

Option B4 extends the boundary east to include Lucerne. Option B5 stops short of Lucerne, serving the Upper Lake–Nice corridor.

2

Agreements already approved

On June 23, 2026, the Board approved the MIP Grant Agreements with PG&E and the Development Reimbursement Agreements with Trane.

3

A policy decision

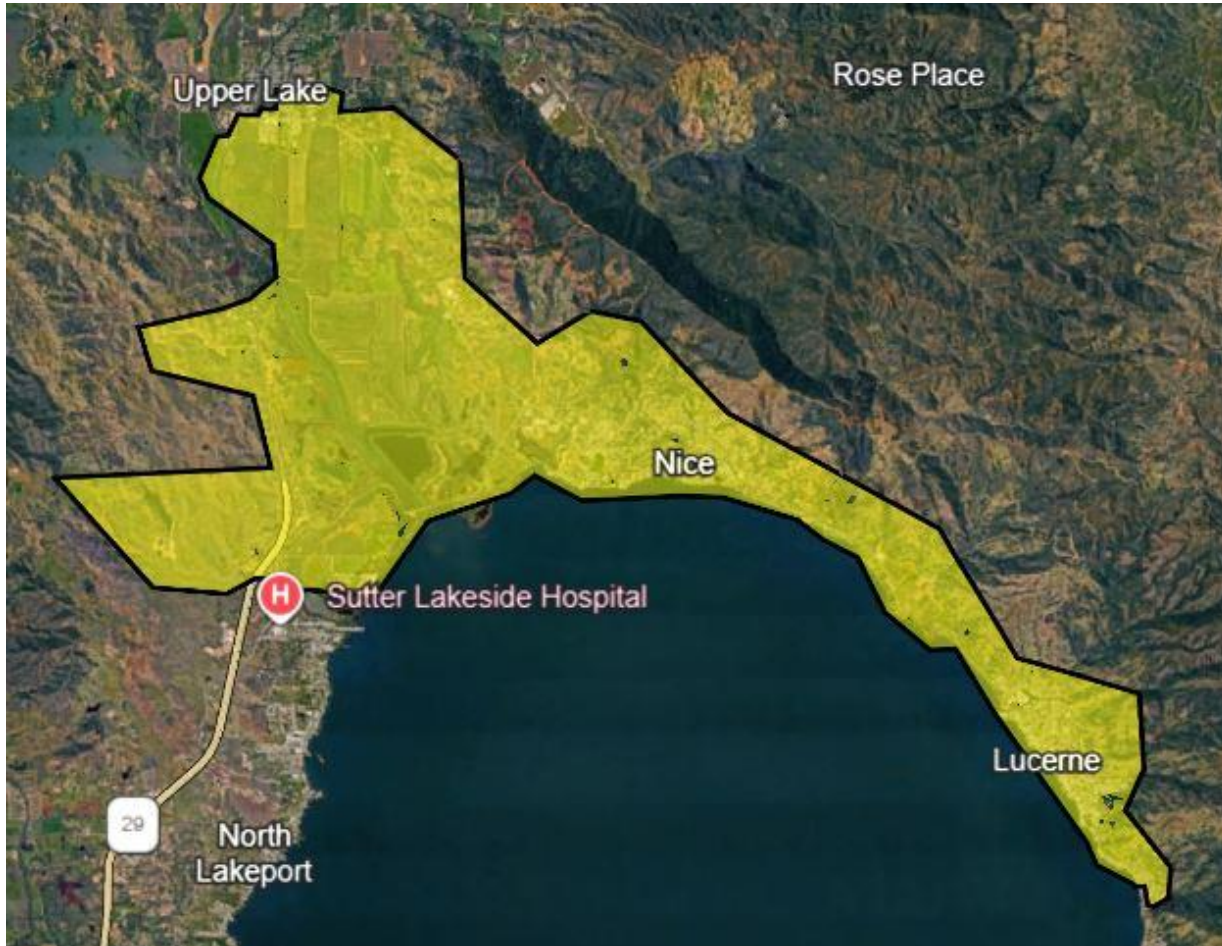
Both boundaries are technically viable. Choosing B4 or B5 is a policy decision for the Board of Supervisors.



Ad Hoc Energy Policy Committee • July 8, 2026

Michael Day of Trane briefed the Committee on both options. The Committee preferred the smaller boundary (B5), due to potential financial impact on project viability.

Option B4 — Extended Boundary



Boundary extends east through Nice to Lucerne.

20–25%

Trane-projected reduction in cash flow, net of operating and capital costs compared to smaller boundary

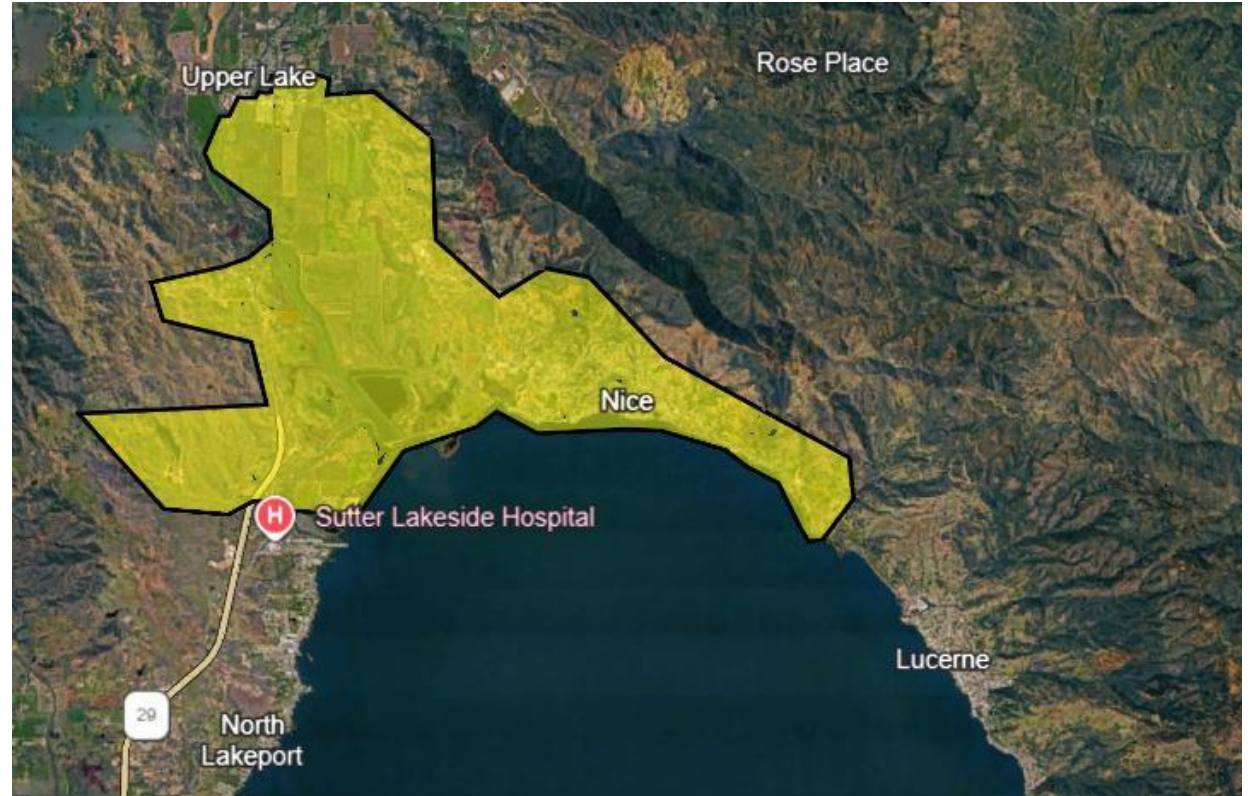
- **Wider resilience footprint**
Adds the Lucerne community to the microgrid's resilience footprint.
- **Higher infrastructure demand**
Extending east requires additional distribution and interconnection infrastructure.
- **Weaker projected economics**
Trane projects a 20–25% reduction in net cash flow relative to B5.

Option B5 — Compact Boundary

Ad Hoc Committee preference

On July 8, 2026, the Committee expressed a preference for B5, due to potential financial impact on project viability.

- **Stronger projected economics**
B5 is the baseline against which Trane's 20–25% reduction is measured.
- **Smaller resilience footprint**
Lucerne would not be served by the microgrid under this boundary.
- **Equity considerations**
The Board may weigh whether excluding Lucerne fits County resilience priorities.



Lucerne falls outside the served area.

Projected Island Mode Duration

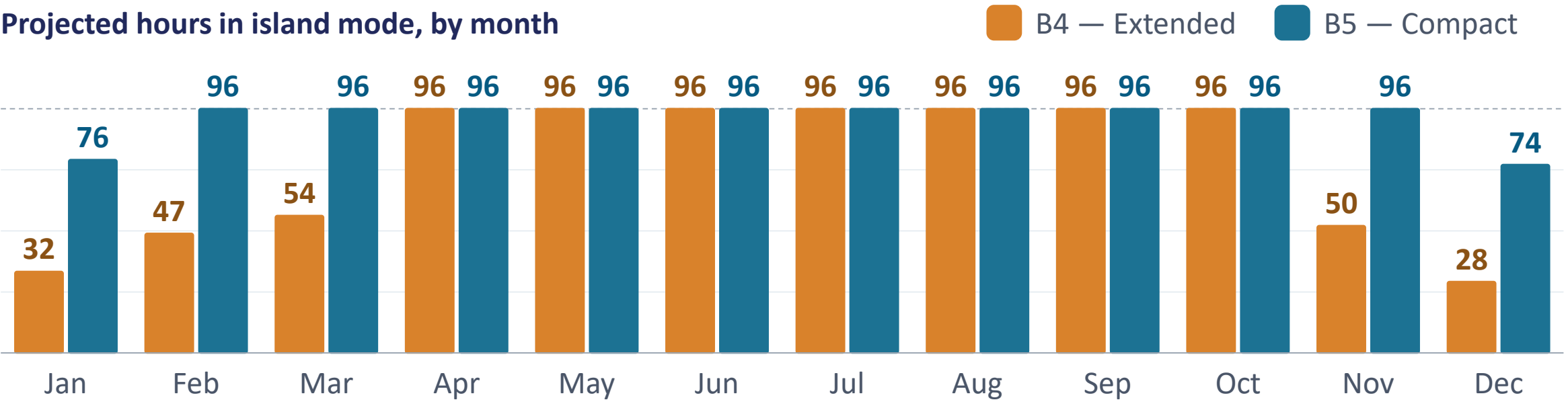
Preliminary Trane modeling. Both boundaries reach the 96-hour maximum April–October and diverge in winter.

73.6 hrs

Option B4 — Extended Boundary
12-month average

92.5 hrs

Option B5 — Compact Boundary
12-month average



Preliminary Trane projections (July 24, 2026). Bars at 96 hours are modeled at four days or longer.

A Policy Decision for the Board

1

Select the microgrid boundary

Direct staff to proceed with Option B4 (including Lucerne) or Option B5 (excluding Lucerne). Both are technically viable; the choice is a policy decision for the Board of Supervisors.

2

B5 is not a permanent exclusion

Selecting the compact B5 boundary would not foreclose Lucerne. The boundary could be expanded to include Lucerne in the future. The MIP Grant Agreement with PG&E and the Development Reimbursement Agreement with Trane were approved by the Board on June 23, 2026.

The trade-off in one line

B4 extends resilience benefits to Lucerne; Trane projects it reduces cash flow, net of operating and capital costs, by 20–25%. B5 preserves stronger project economics with a narrower service area.

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