

FLASHES

*Microgrid Incentive Program & Development
Reimbursement Agreements*

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Trane



Energy



Storage



Fire

JUNE 23, 2026

PROGRAM OVERVIEW

The Microgrid Incentive Program (MIP)

A PG&E ratepayer-funded program, originating from Senate Bill 1339 and implemented under CPUC Decision 23-04-034, that funds community microgrids delivering enhanced resilience to vulnerable populations and critical facilities.



24-hour islanding requirement

The microgrid must be able to operate in island mode for a minimum of 24 consecutive hours.



Milestone-based reimbursement

Funds are disbursed against eligible project costs as each 10% milestone is reached — not paid up front.



THE PROJECT

What is FLASHES?

Firemain Linked Auxiliary Supply / Hydraulic Energy Storage

A multi-use renewable energy, pumped-storage hydro, microgrid, and firefighting asset that could be developed primarily on County land, adjacent to the Northwest Regional Wastewater System.



Renewable Energy

Pairs on-site solar (PV field) with the grid to shift clean power to peak demand.



Pumped-Storage Hydro

Pumps water uphill off-peak; releases it through turbines to generate at peak.



Community Microgrid

Can island and serve critical local loads during grid outages and emergencies.



Wildfire Firemain

Stored water doubles as a dedicated firemain supply for wildfire response.

TWO CO-LOCATED FACILITIES

10 MW

Hartley facility

20 MW

Lucerne facility

CONCEPT & SITE

How FLASHES Works

A dual-use cycle



1. Pump (off-peak)

Surplus or off-peak renewable generation pumps water from the lower tank to an elevated upper tank.



2. Store

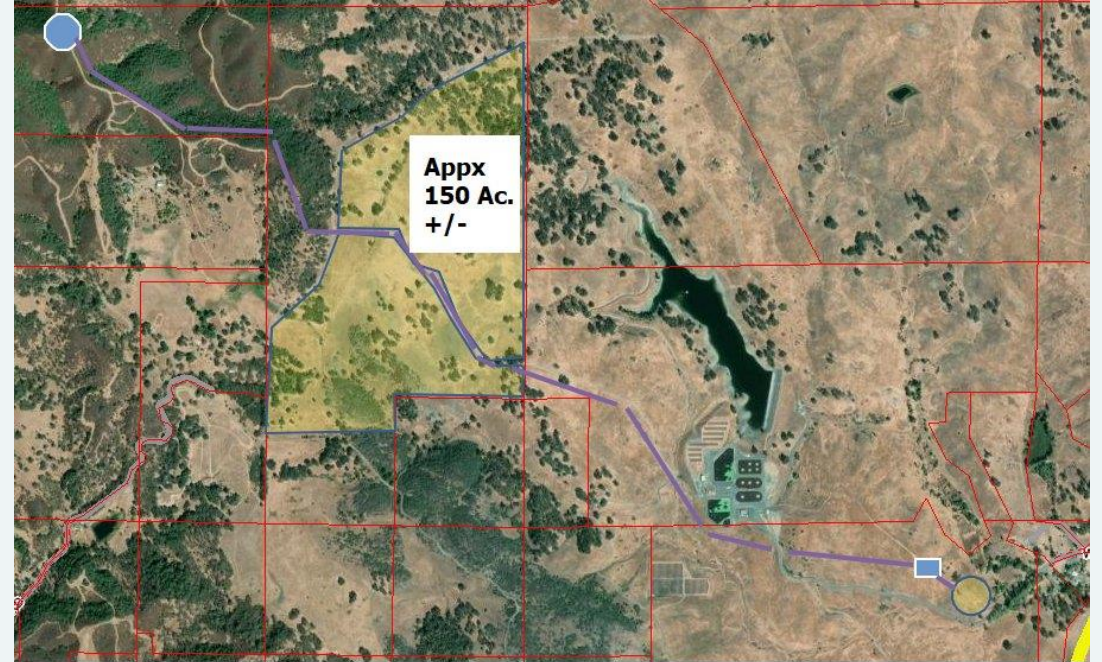
Water is held in elevated storage — simultaneously serving as a dedicated wildfire firemain supply.



3. Generate (peak)

During peak demand the water is released through turbines to generate clean electricity.

DRAFT GENERAL LAYOUT CONCEPT



● Upper Tank

● PV Field (≈150 ac)

● Turbines & Lower Tank

● Pipeline

Near Poe Mountain – Northwest of Lakeport

PROJECT SCALE

Projected Size of FLASHES

Both tanks (Upper and Lower) are projected to be approximately:

75–80 ft

PROJECTED HEIGHT · each tank

400 ft

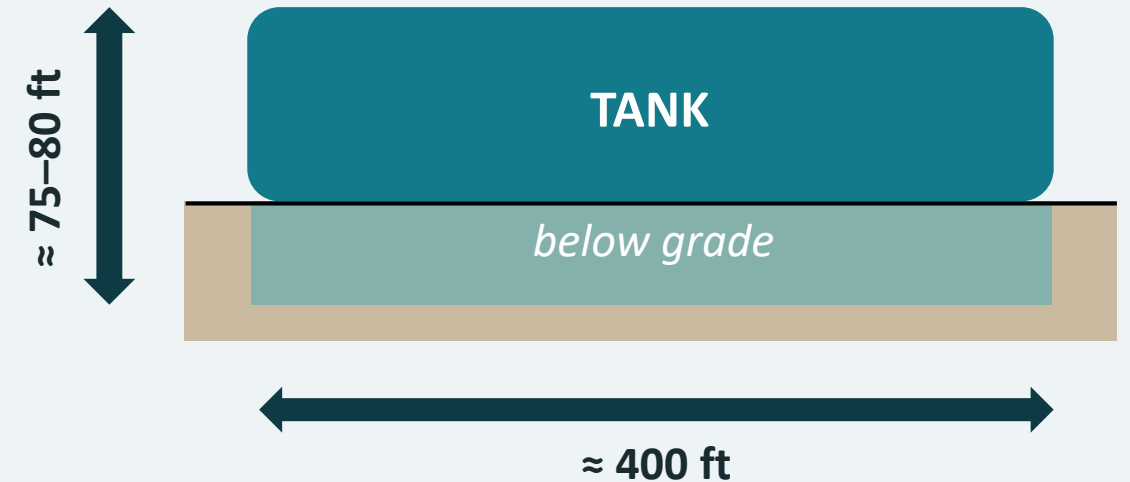
PROJECTED WIDTH · each tank

≈ 12,000 ft

PIPES · between upper and lower tank

Preliminary estimate. Exact dimensions — and how much of each tank sits below ground — will be set during predevelopment engineering and site analysis.

ILLUSTRATIVE CROSS-SECTION — EACH TANK



 ≈ 7–8 stories tall

 Wider than a football field

ROLE & SCOPE

What Approval Today Would Do — and Wouldn't

These agreements fund **predevelopment only**. The County is positioning FLASHES for a future third-party developer — it is not committing to build or own the facilities itself.

1 A Third-Party Developer

Builds, finances, and owns the facilities. The County's role is to fund and de-risk predevelopment — not to construct or operate FLASHES.

2 \$150M+ to Build

Combined construction of the Hartley and Lucerne facilities could exceed \$150 million — well above the County's fiscal capacity.

3 Predevelopment Only

Today's approval funds ~2 years of predevelopment and validation work. It does not commit the County to building the projects.

Attractive to a developer: FLASHES would generate energy a developer could sell on the grid, making it a financially attractive, revenue-producing asset.

Entitlement still required: Even if FLASHES advances to construction, the projects will still need separate planning approval from the County before any development could proceed.

Four Agreements, One Sequence

MIP Agreements · Prerequisite

MIP Grant Agreements

- Hartley MIP Agreement
- Lucerne MIP Agreement

Between PG&E and the County

- Establishes the County as MIP Awardee and sets the milestone-based incentive funding.
- Funds flow to the County as eligible costs are reimbursed.
- Must be executed first — it enables Development Reimbursement Agreements.



Reimbursement Agreements Enabled by MIP Agreements

Development Reimbursement Agreements

- Hartley Reimbursement Agreement
- Lucerne Reimbursement Agreement

Between Trane and the County

- Engages Trane to perform ~2 years of predevelopment & validation work.
- Nine categories of service scoped for predevelopment of project.
- FLASHES predevelopment costs are expected to be covered up to \$3,753,142 by MIP funds.



Bridge financing: Because PG&E only approves payment once the next 10% milestone is reached, RCRC is offering a **\$200,000, 0% loan** so the County can stay ahead on reimbursements.

WHAT THE MIP FUNDS

Predevelopment Scope of Work

Trane will perform nine categories of predevelopment and validation services across both the Hartley and Lucerne sites (June 2026 – June 2028). MIP funds the engineering, environmental, and interconnection work that de-risks the project for a future developer.

1.1 Real Estate – Land Options
Site control & options for both sites

1.2 Civil & Mechanical Feasibility
Survey, geotech, site plans, cost estimates

1.3 Electrical Engineering Feasibility
Preliminary electrical design

1.4 Hydrologic Study
Test well & pump test for water availability

1.5 FERC – Notice of Intent
FERC NOI process for both facilities

1.6 Environmental / Draft EIR
Bio surveys, CEQA review, outreach

1.7 Interconnection Assistance
CAISO interconnection support

1.8 CAISO Application
CAISO Full Capacity Deliverability Study

1.9 Project Administration
Subconsultant mgmt, billing, reporting

Reimbursement Agreements Budget

TOTAL AGREEMENTS BUDGET

\$3,753,142

Covered by MIP funds

\$3,498,741

Contractor (Trane)

Nine scope categories across both sites

\$254,401

County Compensation

CAISO fees, CEQA augmentation, staff time

ALLOCATION BY SITE

	10 MW Hartley	20 MW Lucerne
Contractor (Trane)	\$1,132,380	\$2,366,361
County compensation	\$101,734	\$152,667
Site total	\$1,234,114	\$2,519,028

Why this matters for the County

Both contractor and County costs are reimbursed through the MIP Grant Agreement.

Trane's monthly invoices are structured to support County progress billing to PG&E, and the RCRC 0% bridge loan covers the timing gap between milestones.

RECOMMENDED ACTION • JUNE 23, 2026

Approve the Four Agreements

1

Approve the MIP Grant Agreements (Hartley + Lucerne)

Between Pacific Gas and Electric Company and the County of Lake — the prerequisite that unlocks milestone-based incentive funding.

2

Then approve the Development Reimbursement Services Agreements (Hartley + Lucerne)

Between Trane and the County — engaging ~2 years of predevelopment work to advance and de-risk FLASHES, funded up to \$3,753,142 through the MIP agreements.

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