

March 14, 2022

Chair Ashutosh Bhagwat
Vice Chair Mary Leslie
Governor Severin Borenstein
Governor Angelina Galiteva
Governor Jan Schori

California Independent System Operator
250 Outcropping Way
Folsom, California 95630

City of San José’s Support for Approval of San José Area HVDC Line (Metcalf – San José) Project in 2021-2022 Transmission Plan

Dear Chairman Bhagwat and Governors,

The City of San José (CSJ) applauds the CAISO staff and management for the work done under the 2021-2022 Transmission Plan. In particular, CSJ supports the staff recommendation—with specific considerations noted below—to approve the San José Area HVDC Line (Metcalf-San José) Project, conduct a competitive solicitation process on an expedited basis, and develop an interim plan to accommodate the rapid load growth in the San José Area pending completion of this project and its companion San José Area HVDC Line (Newark – NRS).

Background

After some forty years of relatively flat or declining electric loads in the state due to the extraordinary success of policies to encourage end-use energy efficiency and develop distributed, customer-owned generation (primarily “rooftop” solar photovoltaics), rapid load growth is beginning to reappear.

The 2020-2021 Transmission Plan, adopted on March 24, 2021, forecasted less than 1% year-over-year difference between today’s baseline and high load sensitivity cases over the next 8 years in the Greater Bay Area as well as the South Bay Sub-Area¹ and recommended no significant reliability driven projects in the region. That Plan noted: “the CAISO is working with PG&E to develop project(s) which could include [minor reinforcement of existing facilities].”²

¹ 2020-2021 Transmission Plan, Mar. 24, 2021, p. 101.

² Id. pp. 102, 103.

The 2021-2022 Transmission Plan used significantly higher load forecasts for the region based on already approved electrification projects in the region and concluded in September 2021, that “a new 230 kv or 500 kv source into the area was recommended.”³ Pacific Gas & Electric Company (PG&E) commented that:

The feasibility and cost evaluation of the alternatives are very complex due to routing limitations caused by proximity to environmentally sensitive locations and high population density areas.⁴

On January 31, 2022, CAISO staff published the 2021-2022 Draft Transmission Plan that recommends Board approval of two High Voltage Direct Current (HVDC) lines into the area – one 500 MW line from Newark to NRS and one 500 MW line from Metcalf to San José B.⁵

The City of Santa Clara expressed support for this recommendation but stated that the HVDC line into its municipal utility service territory should be even larger.⁶ PG&E expressed support for this recommendation but stated that the interim plan to mitigate near-term load growth was inadequate.⁷

Summary of CSJ’s Position

CSJ is fully aware of both the urgency to deal with near term infrastructure upgrades to accommodate already planned and approved load growth, and the necessity to make these investments consistent with the long-term vision shared by both the State and the City for a reliable, resilient and affordable low carbon electric grid. As CSJ executes its plan, called “Climate Smart San José”,⁸ to affect this transition, it is cognizant of the fact that the cumulative impact of its small individual electrification efforts and large new all-electric development projects will increase electric loads in the City. The existing 60-year-old PG&E 115 kv transmission system serving CJS territory and the surrounding area cannot accommodate the City’s ambitious plan and similar initiatives from neighboring cities despite the inclusion of over 1000 MW of local distributed solar generation and storage in the plan.

CSJ fully supports the CAISO staff recommendation to approve a transformational infrastructure investment to add two high-capacity high voltage direct current lines into the region. This

³ CAISO Preliminary Reliability Assessment Results, 2021-2022 Transmission Process Stakeholder Meeting, Sept. 27, 2021, p.18.

⁴ PG&E’s 2021 Request Window Proposals, CAISO 2021-2022 Transmission Planning Process, Sept 28, 2021, p.48.

⁵ Draft CAISO 2021-2022 Transmission Plan, Jan 31, 2022, p. 103.

⁶ SVP Comments to 2021-2022 Draft TPP, Feb 7, 2022, Section 3.

⁷ PG&E Comments to 2021-2022 Draft TPP, Feb 7, 2022, Section 3.

⁸ Climate Smart San José: A People-Centered Plan for a Low Carbon City,
<https://www.sanjoseca.gov/home/showpublished document/32171/636705720690400000>.

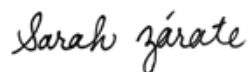
technical solution is similar to others that began with the Trans Bay Cable⁹ from the City of Pittsburg to South San Francisco ten years ago and has been replicated in many other locations around the world including Chicago¹⁰ and New York City¹¹ to shore up aging urban grids subject to significant new load growth.

Having said that, CSJ is also acutely aware of PG&E's admonition that "evaluation of alternatives (is) very complex due to routing limitations caused by proximity to environmentally sensitive locations and high population density areas."¹² Although the HVDC lines are contemplated to be undergrounded in existing rights of way, digging a three-foot-wide by five-foot-wide deep trench through the CSJ could be very disruptive to existing local businesses and residents, as well as in areas planned or entitled for significant growth and development. It is important that the CAISO work with the City to minimize impacts and that an equity lens be applied to all facets of analysis and decision making.

The HVDC Metcalf/Substation B Alternate Route goes through east San José which includes neighborhoods historically marginalized, underserved and under-resourced. In addition, there are several land-use constraints surrounding the San José B substation. It will be important for the new infrastructure to stay within the existing footprint. The CAISO should consider using advanced construction techniques learned in other urban installations and offshore wind platforms to accommodate the infrastructure including the substation and the DC/AC converter station.

Should the Board choose to approve the staff recommendation, the City strongly recommends that the Board also direct CAISO staff to begin in earnest the process of planning for the permitting/CEQA process in collaboration with the California Public Utilities Commission, other state agencies, as well as relevant local jurisdictions such as CSJ. CSJ understands that the primary role of the CAISO following Board approval would be to conduct the competitive solicitation process to choose a developer who would first prepare and file the formal application. However, there is no reason to wait for that selection process to be completed to begin an open, transparent public planning process. Early community and stakeholder buy-in is key to timely, cost-effective execution of this critical infrastructure project with minimal disruption to the local community.

Sincerely,



Sarah Zarate

⁹ <https://www.transbaycable.com>.

¹⁰ <https://www.soogreenrr.com>.

¹¹ <https://www.neptunerts.com>; <https://crosssoundcable.com>.

¹² Op cit., footnote 4.



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CC

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