

Decision on Palermo-Rio Oso 115 kV Line Re-construction Project



 Gary DeShazo, Director of Regional Transmission - North



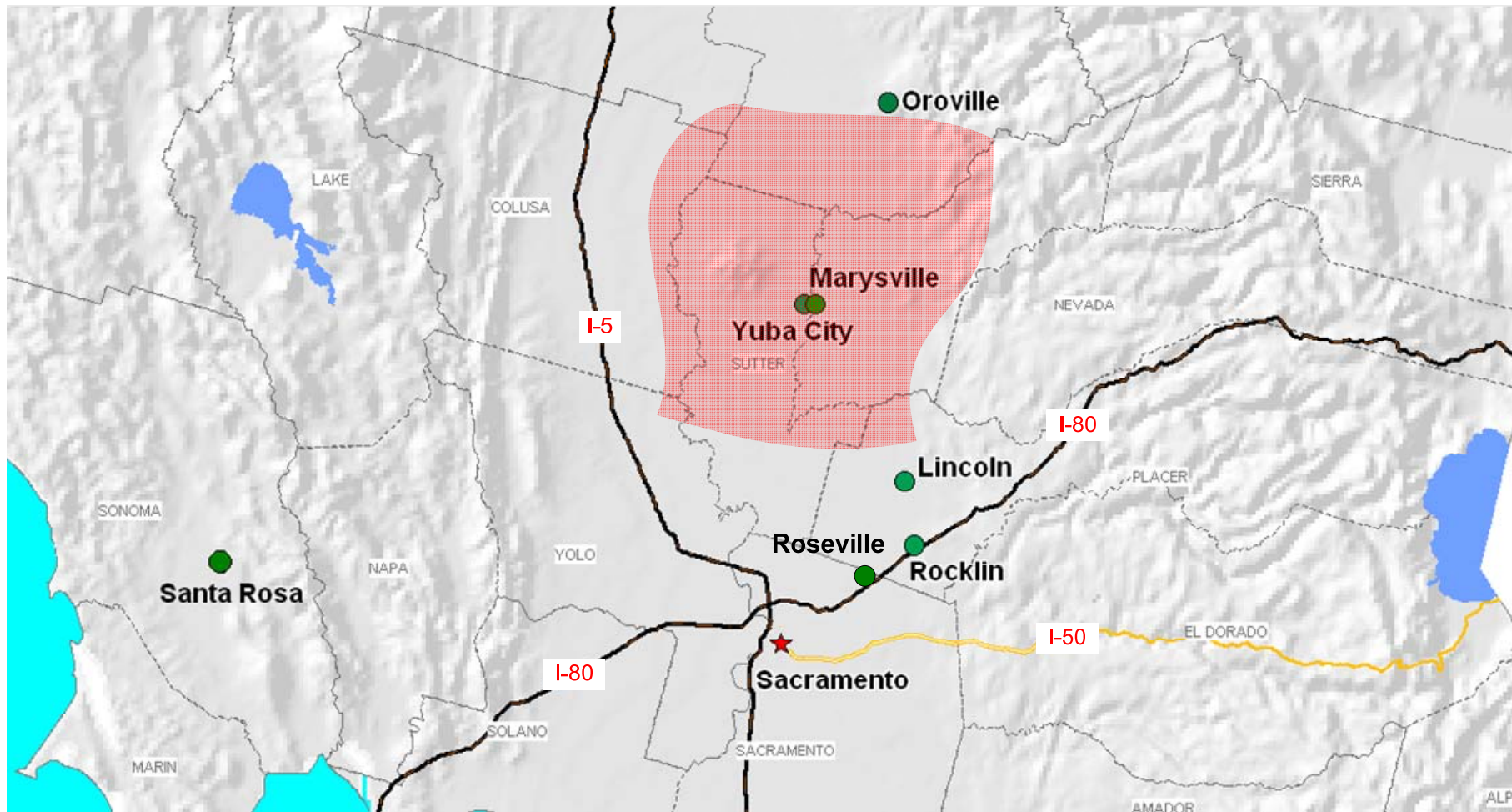
California ISO
Your Link to Power

Board of Governors Meeting
General Session
May 21-23, 2008

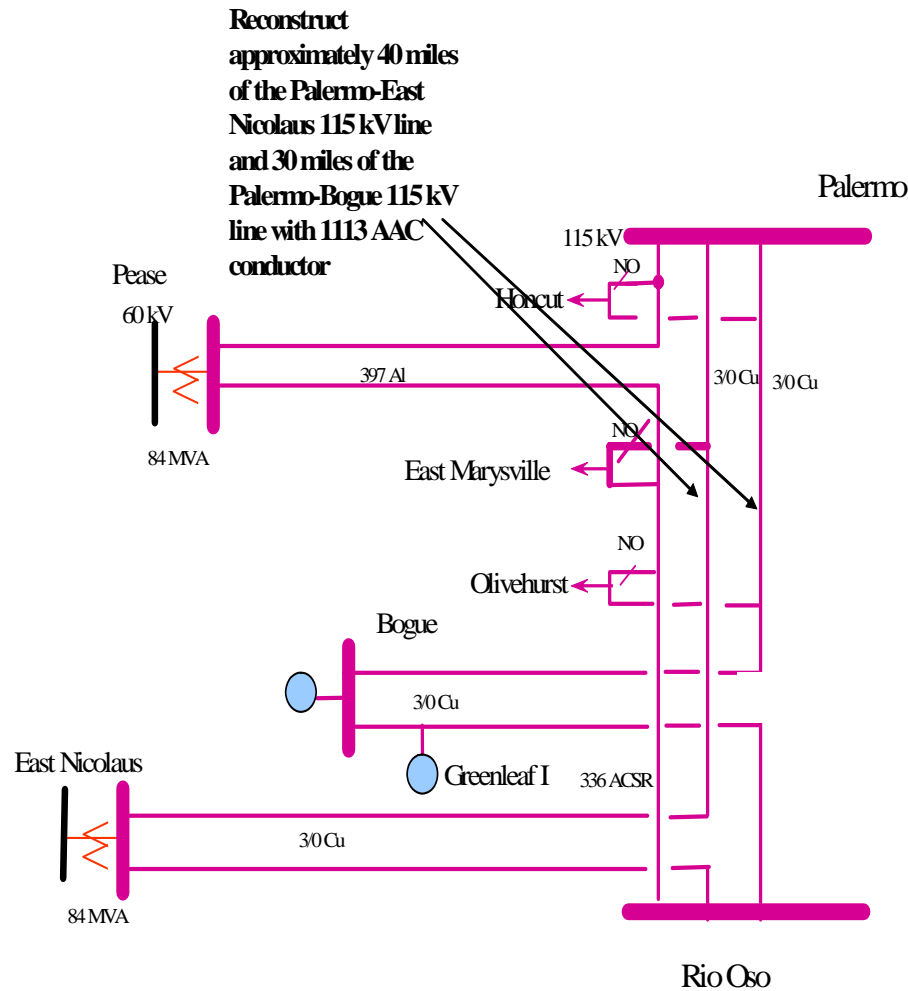
Management is requesting approval of the Palermo-Rio Oso 115kV line re-construction project

- 🌐 This project is needed to meet federal reliability standards
 - Standards are mandatory under the Federal Energy Regulatory Commission (“FERC”)
- 🌐 Estimated cost of \$55M
- 🌐 Will required a Permit to Construct from the California Public Utilities Commission
- 🌐 All components need to be in-service by June 2010

The project is located in PG&E's Yuba-Sutter service territory



This one-line diagram shows how the project is integrated into the system



The project area is impacted by load growth and “interconnected” system needs

- 🌐 Long-term planning investigation initiated by the ISO in 2003
- 🌐 Load growth area of 2.8% annually
- 🌐 “Interconnected” system needs
 - Parallel flow from California-Oregon Intertie (“COI”) flow
 - Northern California hydro
- 🌐 Six other alternatives were assessed
- 🌐 The preferred alternative selected by the CAISO:
 - Produces the required level of reliability
 - Provides the highest load-serving capability for the least cost
 - Least environmental impact
 - Best overall benefits (cost-technical-environmental)