



NEWS RELEASE

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Contact: Stephanie McCorkle
Director of Communications
1 (888) 516-NEWS

California ISO Board Approves Three Major Transmission Projects

Grid Investments Pay Dividends in Reliability, Access to Renewables and Reduced Cost

(Folsom, California) The California Independent System Operator Corporation (California ISO) Board of Governors Operations Committee today approved, and sent to the Board's consent calendar, three major improvements that will strengthen the transmission grid in northern California. The trio of transmission projects will also reduce the cost of managing transmission bottlenecks and maintaining adequate generation for local reliability by approximately \$30 million per year. Combined with four smaller projects that did not require Board approval, the grid enhancements will add transmission capacity and reduce local generation needs by 700 megawatts.

The California ISO worked closely with Pacific Gas and Electric (PG&E) to identify these three projects as potentially providing significant economic and reliability benefits:

- New Vaca Dixon 500/230 kilovolt (kV) transformer (online, December 2007)
- Re-conductor Vaca Dixon-Tulucay-Lakeville 230 kV lines (on line May 2010)
- New Oakland C-X #2 115 kV underground cable, (online May 2010)

The California ISO staff performed engineering and economic studies on these three projects and found they would provide significant benefits. The Board's approval today is an important step in the lifecycle of a transmission proposal. Since it began operating the grid in 1998, the California ISO, working with a variety of stakeholders, has performed technical and economic analyses that paved the way for 340 transmission projects, representing approximately \$4.5 billion in investments. Additional projects representing \$3 billion to \$5 billion more in infrastructure investment are under review.

Recent investments are paying big dividends, reducing reliability costs to California consumers by a total of \$416 million in 2005 compared to 2004. Reliability costs include a variety of payments

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made to power plant owners to ensure the reliability of the transmission grid. The reduction in reliability costs was the result of a combination of new investment in transmission, implementation of automatic tools to increase the carrying capacity of the grid and enhanced operating procedures. More details about the reduction in reliability costs can be found in the 2005 [Annual Market Issues and Performance report](#).

The California ISO is taking an integrated approach to transmission planning process, looking at proposed transmission projects on a regional basis to see how each one will interact with other proposals in the area in providing economic and reliability value to the California ratepayers in the ISO footprint.

The overall goal is to approve projects that give consumers the biggest bang for the buck.

The California ISO is a not-for-profit public benefit corporation charged with managing the flow of electricity along California's open-market wholesale power grid. The mission of the California ISO is to safeguard the reliable delivery of electricity, and ensure equal access to 25,000 circuit miles of "electron highway." As the impartial operator of the wholesale power grid in the state, the California ISO conducts a small portion of the bulk power markets. These markets are used to allocate space on the transmission lines, maintain operating reserves and match supply with demand in real time.

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