

November 10, 2024

Jan Schori Chair Board of Governors California Independent System Operator

Dear Ms. Schorl:

The Center for Energy Efficiency and Renewable Technologies (CEERT) is writing to express our support for the revised hybrid configuration for the San Jose Area transmission projects driven by higher-than-expected load growth for the area. Two transmission projects were approved in the California Independent System Operator's (CAISO) 2021-2022 Transmission Plan. A third project is being considered as part of the 2024-2025 Transmission Planning Process.

The CAISO staff has recommended that one project, the proposed HVDC link between the Newark and the NRS substations, be revised to use a new high capacity 230 kV circuit to meet the increasing load in the Silicon Valley Power (SVP)/San Jose area and to decrease dependence on local area gas-fired generation to meet this local load. CEERT supports this proposed revision to a high-capacity AC circuit. We also recognize the need to keep the project on schedule for June 2028 energization to maintain local area reliability. Therefore, we concur with and support the CAISO staff recommendation that the previous project award to LS Power be amended in a transparent manner that maintains cost controls.

CEERT also supports the proposed new high capacity 230 kV line between the NRS and San Jose B substations that is expected to be included in the 2024-2024 Transmission Plan. We agree with PG&E that the proposed project should also reinforce the 115 kV system in the area. However, CEERT disagrees with PG&E's recommendation that the CAISO assign the project to PG&E as an expansion of the existing PG&E transmission system. Instead, the CAISO should comprehensively scope the project to address overloads on 230 kV and 115 kV facilities under various contingencies and then competitively bid the re-scoped project. We firmly believe that the competitive bidding process is necessary to lower the cost of capital that will be needed for the project development and therefore lower the cost impact on California's electric ratepayers.

The changes to the San Jose area transmission plan raises a broader issue about load growth and reliability planning for both the transmission and distribution systems. Clearly, there is a need to better coordinate information about load-side interconnections that can impact local area reliability. It is becoming clear the California Energy Commission's load forecasts have not provided sufficient granular information about the locations of load growth, particularly in relationship to vehicle charging infrastructure and large data centers.

Recently in the California Public Utility Commission's High Distributed Resource Grid proceeding (R.21-06-017) the CPUC has recognized that the relatively flat load growth of a few years ago has changed dramatically, with an estimated five (5) gigawatts of increased system peak



demand occurring by 2030. CPUC President Alice Reynolds recently observed the state's distribution utilizes are experiencing "a much higher volume of large electric capacity requests" from customers. She further noted, "We may see an electric vehicle charging service provider who might request 20 MW to connect chargers and this customer may be on the schedule which means they will complete their work of installation of the chargers in significantly less time than it takes to update the electric grid." <sup>1</sup>

The CPUC's initiative to prepare the distribution grid for anticipated load growth needs to be better integrated into the CAISO's Transmission Planning Process. The recently adopted CPUC decision (D.24-10-030) extends the distribution forecast horizon to 13 years and the utilities' distribution system planning horizons to 10 years. Just as California needs a longer-term view on the development of new sources of generation and energy storage it also needs a longer-term and location-specific view on load growth.

CEERT recognizes that this broader concern about the need to more accurately plan for load growth and its impact on the transmission system will require consultation between the CAISO and the state's energy agencies. The CAISO should consider reaching out to those agencies and Initiating a stakeholder process that would incorporate scenarios regarding load growth into the reliability portion of the Transmission Planning Process.

We appreciate the opportunity to communicate with you about our support for the staff recommendation regarding the San Jose Area transmission projects and the need for a more comprehensive look at the impact of rapid load growth on the need for transmission system expansion.

Regards,

V. John White

Ed Smeloff

<sup>&</sup>lt;sup>1</sup> October 17, 2024 CPUC Meeting, Regular Agenda Item 44: Decision Adopting Improvement to Distribution Planning and Project Execution Process, Distribution Planning Data Portals, and Integrated Capacity Analysis Maps. D.24-10-030