

November 7, 2024

Jan Schori  
Chair, Board of Governors  
California Independent System Operator  
250 Outcropping Way  
Folsom, CA 95630

**Re: CAISO November 12, 2024 Board Meeting – LS Power Grid California LLC Project Award**

Dear Chair Schori:

The City of San José is writing to support the California Independent System Operator (CAISO) staff recommendation to revise the scope of the project award to LS Power Grid California LLC (LS Power) for the Metcalf - San Jose area High Voltage Direct Current Projects<sup>1</sup>, which is Item 6 on the CAISO Board of Governor's November 12, 2024 meeting agenda.

At the September 23, 2024 Stakeholder Meeting in the 2024-2025 Transmission Planning Process (TPP), CAISO staff presented preliminary reliability results for the greater Bay Area based on the most recent California Energy Commission (CEC) load forecast, plus a High Load Sensitivity Case. The forecasted high load sensitivity case shows the need for significant investment in electrical capacity and redundancy in the San José area. These results underscore the urgency of accelerating the construction of additional transmission facilities in the San José area. CAISO staff is recommending the following three actions:

- A. Rescope LS Power's project award to double the available incremental transmission capacity by June 2028.
- B. Construct a new 1000 megawatt 230kv line from San Jose B Substation to the Northern Receiving Station (NRS) in Santa Clara with an in-service date of 2030, and to be competitively bid.
- C. Pacific Gas & Electric Company and Silicon Valley Power to construct upgrades to the underlying 230 kv and 115 kv grid to efficiently distribute the new capacity to loads in Santa Clara and San José.

Item A is on the November 12, 2024 CAISO Board meeting agenda. Items B and C would be part of the normal 2024-2025 TPP cycle recommended for adoption in May 2025. The City of San José strongly supports this plan and recommends approval of Item 6.

---

<sup>1</sup>Project name as shown on the CAISO Board meeting agenda published on November 5, 2024.

In the thirty-one months since the CAISO Board approved the two new high-voltage transmission lines, significant progress has been made toward achieving the June 2028 in-service date. This momentum must not be lost while details of the post-2028 work are finalized for adoption next May. The revised LS Power project scope provides significant incremental transmission capacity at lower ratepayer costs. The revisions make no alignment changes with less construction on land outside existing electrical substations.

The City appreciates the transparency and flexibility of the LS Power project team in its dealings with the City of San José. The City commits to being an active participant in (1) the remainder of the work in the 2024-2025 TPP at the CAISO, leading to approval of additional transmission capacity for San José by 2030; (2) the open Certificate of Public Convenience and Necessity proceeding at the California Public Utilities Commission for the work already authorized for 2028; and (3) the new load forecast in the current CEC Integrated Energy Policy Report proceeding plus the busbar mapping of those loads in the San José area to be used in subsequent TPP cycles.

The City believes that the High Load Sensitivity Case studied in this TPP cycle more properly captures the future transmission needs in this critical area of Silicon Valley as California marches towards a reliable, resilient, cost-effective, climate-smart electrified future. Thank you for your consideration on this important project.

Sincerely,



Sarah Zárate  
Director, Office of Administration, Policy, and  
Intergovernmental Relations