

Memorandum

To: ISO Board of Governors

From: Neil Millar, Vice President of Infrastructure and Operations Planning

Date: August 19, 2026

Re: Decision on Update to the 2025-2026 Transmission Plan

This memorandum requires ISO Board of Governors action.

EXECUTIVE SUMMARY

Management is seeking approval of an update and a correction to the 2025-2026 Transmission Plan that was approved by the ISO Board of Governors on May 19, 2026.

Regarding the update, the Board approved the transmission plan with the following two projects to be put on hold pending additional coordination with Silicon Valley Power (SVP) regarding potential impacts on the SVP system.

- De Anza 115 kV Substation Project.
- South Bay Reinforcement Project (Revised Scope Item G),

The ISO has coordinated closely with SVP regarding the study results and proposed path forward. Management concludes that removing the hold on the De Anza 115 kV Substation Project and the South Bay Reinforcement Project (Revised Scope Item G) is appropriate to support reliability needs in the area while allowing the ISO, Pacific Gas & Electric (PG&E), and SVP to continue developing coordinated solutions for regional short-circuit duty concerns.

Regarding the correction, the ISO issued an errata on July 29, 2026, correcting Table 1-1: Deliverable Resources and Resource Locations of the Board approved 2025-2026 Transmission Plan to explicitly reflect all geothermal deliverability reservations that were intended for inclusion and that are consistent with the resource assumptions contained in the California Public Utilities Commission's planning portfolio used in the development of the transmission plan. Although the transmission plan identified the ISO's intent to reserve deliverability for all geothermal resources included in the portfolio, the approved table did not reflect the full capacity of geothermal reservations. Management is requesting approval to amend the 2025-2026 Transmission Plan to reflect the errata.

The ISO has updated the 2025-2026 Transmission Plan attached to this memo to remove the hold status for the De Anza 115 kV Substation Project and the South Bay Reinforcement Project (Revised Scope Item G) and updated Table 1-1 to include the reservation of geothermal resources within California identified in the CPUC portfolio.

Management proposes the following motion:

Moved, that the ISO Board of Governors approves the updated 2025-2026 Transmission Plan attached to the memorandum dated August 19, 2026. The ISO Board of Governors also directs the ISO to continue coordination with Silicon Valley Power and Pacific Gas and Electric Company through the 2026-2027 transmission planning process to evaluate and address identified short-circuit duty impacts.

BACKGROUND

A core responsibility of the ISO is to plan and approve additions and upgrades to transmission infrastructure through its annual transmission planning process to maintain a reliable, safe, and efficient electric transmission system as system conditions and customer requirements evolve.

Transmission Projects approved in 2025-2026 Transmission Plan on Hold

The ISO Board of Governors approved the 2025-2026 Transmission Plan on May 19, 2026. As part of that approval, the Board directed that the following approved projects remain on hold pending completion of an affected-system evaluation by Silicon Valley Power (SVP):

- De Anza 115 kV Substation Project
- South Bay Reinforcement Project (Revised Scope Item G)

The Board further directed that the ISO return with a future recommendation regarding removal of the hold or any modifications resulting from the review.

In response, SVP performed preliminary steady-state and short-circuit duty analyses using the 2025-2026 transmission planning process (TPP) CAISO 2035 Greater Bay Area Summer Peak base case and ISO-provided change files. The evaluation considered the cumulative impacts of major transmission additions in the area, including the Tesla-Trimble-Metcalf 230 kV Corridor Expansion Project, the South Bay Reinforcement Project (Revised Scope Item G), and the De Anza 115 kV Substation Project.

SVP's steady-state assessment concluded that the projects do not create material adverse impacts to SVP's internal transmission system. The analysis identified one new contingency-related overload on the Duane-SRS 115 kV line. SVP concluded that this

condition can be mitigated through installation of the planned second phase-shifting transformer or through reconductoring of the Duane-SRS 115 kV line.

While the steady-state findings were generally acceptable, SVP's short-circuit duty analysis identified increases in fault-duty levels on portions of the SVP system. The study results indicate that these impacts are largely attributable to the recently-approved Tesla-Trimble-Metcalf 230 kV Corridor Expansion Project and are further increased by the South Bay Reinforcement Project (Revised Scope Item G) and the De Anza 115 kV Substation Project.

Through technical discussions between the ISO and SVP, it was determined that the identified short-circuit duty concerns are regional impacts associated with multiple transmission projects rather than impacts attributable solely to the two projects that were placed on hold. SVP has expressed support for removing the hold status on the two projects, provided that the short-circuit duty concerns are formally acknowledged and that mitigation alternatives are jointly evaluated by the ISO, PG&E, and SVP as part of the 2026-2027 transmission planning process.

Retention of Transmission Plan Deliverability for Long-Lead Time Resources

Table 1-1: Deliverable Resources and Resource Locations of the Board approved 2025-2026 Transmission Plan did not explicitly specify the full capacity of geothermal reservations identified in the California Public Utilities Commission's planning portfolio used in the development of the transmission plan. The transmission plan did identify the ISO's intent to reserve deliverability for all geothermal resources included in the portfolio. Recognizing the inadvertent omission, the ISO issued an errata on July 29, 2026, updating Table 1-1: Deliverable Resources and Resource Locations of the Board approved 2025-2026 Transmission Plan. The updated reservations will be incorporated into Cluster 16 interconnection request window materials to ensure consistency between the Board-approved Transmission Plan, the CPUC portfolio assumptions, and the deliverability reservations available to eligible geothermal resources.

CONCLUSION

Management recommends that the ISO Board of Governors approve the updated 2025-2026 Transmission Plan with the removal of the hold status for the De Anza 115 kV Substation Project and the South Bay Reinforcement Project (Revised Scope Item G) and the corrections to Table 1-1 to include the reservation of geothermal resources within California identified in the CPUC portfolio. The ISO will continue to coordinate with Silicon Valley Power and Pacific Gas and Electric Company through the 2026-2027 transmission planning process to evaluate and address identified short-circuit duty impacts.