

November 11, 2024

CAISO Board of Governors
250 Outcropping Way
Folsom, CA 95630

Re: LS Power Grid California, LLC Comments on CAISO's Proposed San Jose Area
Transmission Plan Modifications

Dear CAISO Board of Governors:

LS Power Grid California, LLC (LS Power) supports the California Independent System Operator Corporation (CAISO) Management motion for the CAISO Board of Governors (Board) to approve modifications to the San Jose Area Projects¹ as described in the November 5, 2024 memorandum to the Board.²

Background

On March 17, 2022, the Board approved the 2021-2022 Transmission Plan, which included the San Jose Area Projects. Following a competitive process, CAISO selected LS Power to develop the San Jose Area Projects and entered into Approved Project Sponsor Agreements (APSAs) with LS Power for the San Jose Area Projects on August 28, 2023.

As part of the 2024-2025 Transmission Planning Process (TPP), CAISO reevaluated the overall long-term transmission plan for the San Jose area based on significant load growth in the area since the 2021-2022 TPP. CAISO found that the long-term forecasted load in the San Jose area has increased from 2,100 MW to approximately 3,400 MW in the base case scenario and approximately 4,200 MW in the sensitivity scenario.³ Based on this significant load growth, CAISO concluded that the San Jose Area Projects "no longer provide the required capacity to reliably serve the forecasted load in the area."⁴ Consequently, CAISO developed modifications to the San Jose Area Projects and recommends that the Board approve certain modifications to the Board-approved San Jose Area Projects. The proposed modifications include:

1. Modifying the Newark – NRS HVDC Project from HVDC to a high capacity 230 kV alternating current (AC) line (approximately 1,000 MVA) between Pacific Gas and Electric Company's (PG&E) Newark substation and Silicon Valley Power's (SVP) NRS substation; and

¹ The San Jose Area Projects are two reliability-driven transmission projects, which as approved by the Board in the 2021-2022 Transmission Plan, include: (1) the Newark – Northern Receiving Station (NRS) High-Voltage Direct Current (HVDC) Project; and (2) the Metcalf – San Jose B HVDC Project.

² CAISO, Memorandum Regarding Decision on ISO's Modifications for the San Jose Area HVDC Projects (Nov. 7, 2024) (Memorandum) available at <https://www.aiso.com/documents/decision-on-amendment-to-the-2022-2023-transmission-plan-memo-nov-2024.pdf>.

³ *Id.* at 2.

⁴ *Id.*

2. Modifying the Metcalf – San Jose B HVDC Project by:
 - a. increasing the HVDC system capacity requirement from Metcalf to San Jose B to 1,000 MW from 500 MW;
 - b. changing the voltage at the AC side of the San Jose B converter station from 115 kV to 230 kV; and
 - c. adding a 230/115 kV transformer at San Jose B and replacing the 115 kV switchyard which LS Power bid and CAISO selected with a 230 kV switchyard.⁵

Comments

LS Power supports CAISO's recommendations for Board approval of the modifications to the San Jose Area Projects for which LS Power is the Project Sponsor. As articulated by CAISO, the proposed scope changes to the San Jose Area Projects are driven by the significant San Jose area load growth not contemplated in the 2021-2022 Transmission Plan. The San Jose Area Projects as modified by the proposed scope changes are key to meeting the long-term load growth in the San Jose area and, importantly, can be completed by the original required in service date and at a lower cost than the original projects.

It is worth noting that certain proposed scope assignments for the modified Metcalf – San Jose B HVDC Project reflected in the conceptual and preliminary one-line diagram of the draft San Jose Area Transmission Plan Engineering Study Report, which depicts certain 230 kV equipment within the scope of the modified project as being the responsibility of PG&E, appear inconsistent with CAISO precedent for similar facilities⁶. LS Power believes it would be more efficient to complete such facilities as part of its work at the HVDC terminal site. In any event, LS Power is committed to working with CAISO and PG&E to ensure these facilities are completed timely and efficiently.

If the Board approves the proposed scope changes to the San Jose Area Projects, LS Power is committed to efficiently and diligently working with CAISO and other stakeholders, including PG&E and SVP with whom the projects will interconnect, to implement and effectuate the modified scope of the San Jose Area Projects. This will include CAISO and LS Power amending the currently effective APSAs to accommodate Board-approved changes in scope.

⁵ *Id.* at 1-2.

⁶ Examples of CAISO competitive projects in which substations with switchgear greater than 200 kV and transformers to 115 kV or lower voltages were included in the scope assigned to the respective approved project sponsors include the 2013-2014 ISO Transmission Planning Process Estrella 230/70 kV substation, Spring 230/115 kV substation, and the Wheeler Ridge Junction 230/115 kV substation and 2023-2024 ISO Transmission Planning Process New Humboldt 500/115 kV substation. In these cases, the incumbent PTO's responsibilities were generally limited to switching stations less than 200 kV and line loop-ins, as applicable.

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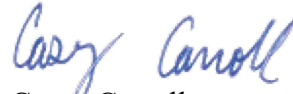
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Conclusion

LS Power supports CAISO's motion and recommendation that the Board approve the modified scope for the San Jose Area Projects as set forth in the Memorandum.

Respectfully submitted,



Casey Carroll
Vice President