

UTILITIES DEPARTMENT

PALO Palo Alto, CA Zip Code (650) 329-2326

May 12, 2025

Chair Severin Borenstein Vice Chair Joe Eto, Board of Governors Governor Angelina Galiteva Governor Mary Leslie Governor Jan Schori

California Independent System Operator 250 Outcropping Way Folsom, CA 95630

RE: City of Palo Alto's Support for Ames Distribution - Palo Alto 115 kV Line Project Approval

Dear Chair Borenstein and Governors,

On behalf of the City of Palo Alto, we are sincerely grateful to the California Independent System Operator (CAISO) for the CAISO staff's thorough planning analysis of the new Ames Distribution – Palo Alto 115 kV transmission line project ("Project," hereafter) in the 2024-2025 Transmission Plan. The CAISO 2024-2025 Transmission Plan accurately classifies the Project as a new diverse source to serve increasing Palo Alto electric demand and mitigate a major vulnerability where an accident on the single transmission corridor causes an outage for the entire service territory. The City supports the CAISO's recommendation that the Board approve the Project that would be built, owned, and financed by Pacific Gas and Electric (PG&E).

Palo Alto is interconnected to the CAISO control grid with PG&E at the Palo Alto Switching Station and is served via three PG&E 115 kV lines from Ravenswood and Cooley Landing Substations. The three lines share a common corridor that is comprised of two double-circuit tower lines south of Ravenswood. This common corridor, shared between all three 115 kV lines serving the City of Palo Alto, is a major vulnerability concern due to its proximity to the end of the City of Palo Alto Airport runway.

This corridor has been susceptible to aircraft incidents. On February 17, 2010, an airplane crash damaged all three lines and interrupted power to the entire City of Palo Alto territory, which includes the Stanford Children's Hospital, Stanford Hospital, and the Veteran's Administration Medical Center. The blackout lasted for ten hours, and the Stanford Hospital and Stanford Children's Hospital, both regional Level 1 Trauma Centers, had begun activating their evacuation plans to relocate patients. For two days following the aircraft incident, the entire City was served by a single wood pole 115 kV line while PG&E crews replaced the damaged double-circuit transmission tower. The February 2010 event was a harrowing experience for the hospitals and community, and PG&E has informed City staff that if the incident were to happy today it would take several days to repair. A more recent plane crash on



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September 13, 2021 nearly took out electricity to the entire Palo Alto service territory again as well as large portion of PG&E territory to the south.

In addition to this vulnerability, the City is experiencing significant load growth due to data centers and multifamily housing developments. The City has worked closely with the California Energy Commission (CEC) staff to incorporate the City's demand forecast in the 2024 Integrated Energy Policy Report (IEPR), which the CEC formally approved on January 21, 2025. The CAISO analyzed the anticipated demand increase and reliability issues in the adjacent system as key drivers in its recommendation for the Project. In the past few months we have seen that Palo Alto's load is in fact growing faster than the load forecast adopted by the CEC this past January.

The City understands the Project could be completed in three to five years. However, the CAISO 2024-2025 Transmission Plan explains that the later May 2034 estimated in-service date is due to an existing and different PG&E "maintenance project" that needs to be completed first. As described above, Palo Alto's rapid load growth, reliability vulnerability, and CAISO-identified reliability violations will remain unaddressed for many years. Palo Alto urges the CAISO to modify the estimated in-service year to be between 2030 and 2034. The City is committed to collaborating closely with the CAISO and PG&E to explore options to parallel track and expedite the Project and the "maintenance project." Palo Alto believes it is imperative for PG&E to initiate engineering and permitting activities for the Project immediately.

The City thanks the CAISO Board and Management for the opportunity to provide these comments and hopes to work closely with the CAISO and PG&E to address Palo Alto's urgent capacity increase and reliability needs.

Sincerely,

Alan Kurotori

Alan Kurotori Chief Operating Officer City of Palo Alto Utilities

Cc: Mr. Elliot Mainzer, President and Chief Executive Officer, CAISO Mr. Mark Rothleder, Senior Vice President and Chief Operating Officer, CAISO Mr. Neil Millar, Vice President, Transmission Planning and Infrastructure Development, CAISO Mr. Jeff Billinton, Director, Transmission Infrastructure Planning, CAISO Mr. Binaya Shrestha, Manager-North, Transmission Infrastructure Planning, CAISO