

March 25, 2015

Richard Maullin - Chairperson
Ashutosh Bhagwat, Board Member
Angelina Galiteva, Board Member
David Olsen, Board Member
Stephen Berberich, President
CALIFORNIA ISO
P.O. Box 639014
Folsom, CA 95763-9014
Via e-mail c/o: SKarpinen@caiso.com

**Re: California Independent System Operator's (CAISO) 2014-2015
Transmission Plan, Agenda Item: #9 – March 26th, 2015 Board Meeting**

Dear Board Members and President Berberich,

The City and County of San Francisco through its Public Utilities Commission (SFPUC) is pleased to provide its strong support for the CAISO's 2014-2015 Transmission Plan (Transmission Plan) proposals to improve the reliability and resiliency of the transmission system serving the San Francisco Peninsula.

As the CAISO has previously recognized, San Francisco's geographic location at the end of a peninsula, dense population, and seismic risk emphasize the need to develop a robust and reliable transmission system capable of responding to extreme events, including but not limited to major earthquakes. The SFPUC appreciates the work of the CAISO and stakeholders over the past year to assess the electric reliability impacts of such events and develop measures to mitigate potential interruptions.

The Transmission Plan proposes several projects to upgrade and modernize the existing 115 kV transmission system within San Francisco as well as the 230 kV transmission system that delivers power to San Francisco. The SFPUC supports these recommendations and urges that they be implemented as soon as feasible.

The Transmission Plan also proposes a new 230 kV substation (Bus Extension), separate from but interconnected with the existing 230 kV Martin substation. This new substation would provide an additional pathway for power

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to flow up the Peninsula into San Francisco, and serve as a back-up to the existing Martin 230 kV substation.

In comments provided during the stakeholder process (submitted on March 3, 2015), the SFPUC noted that the Martin Bus Extension was a new proposal. The SFPUC recommended that this particular project receive additional consideration for a short period (no more than 3-4 months) after Board Approval to allow for additional stakeholder discussion on the matter so that alternatives may be considered.

As noted above, the SFPUC supports the CAISO's proposals to mitigate extreme events impacting San Francisco's transmission system. Given the importance of hardening the system to survive extreme events and the long lead-time required for many projects (e.g., CAISO estimates an in-service date of 2021 for the Martin Bus Extension), the SFPUC supports expeditious action on all of the Transmission Plan proposals. Nevertheless, the SFPUC believes that it is important to fully vet the Martin Bus Extension proposal in particular to ensure that ratepayer funds are directed towards the most cost-effective measures. Limited, additional consideration for this project would provide such an opportunity and should not delay the overall project schedule.

The SFPUC greatly appreciates the on-going commitment of the CAISO Board and staff through the stakeholder process to continuously improve the reliability of the transmission system serving San Francisco. We look forward to working with the CAISO and other stakeholders to move the measures identified in the Transmission Plan forward and to ensure that San Francisco can depend on its transmission system being reliable and resilient into the future.

Sincerely,

/s/ Michael Hyams
Michael Hyams
Regulatory & Legislative Affairs
mhyams@sfgwater.org
(415) 554-1590

/s/ James Hendry
James Hendry
Regulatory & Legislative Affairs
jhendry@sfgwater.org
(415) 554-1526