

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kip Harkness

SUBJECT: SEE BELOW

DATE: April 15, 2024

Approved



Date

4/15/24

INFORMATION

SUBJECT: SUPPORT POSITION FOR POWER SANTA CLARA VALLEY AND POWER SOUTH BAY PROJECTS

Transmission line upgrades are critical for bringing additional electricity to San José and the greater Bay Area. With the City's increasing use of electricity and shift to reliance on renewable sources of power, it is essential that we increase transmission capacity coming into San José. The City convened a multi-department coordination team led by the City Manager's Office in spring 2022. The team put out a position paper outlining the City's interests in the two new transmission lines slated to come through San José and facilitate the multi-year effort with the winning project sponsor. The California Independent System Operator selected LS Power Grid California, LLC (LS Power) in early 2023 to develop, construct, and own the two high-voltage direct current transmission line projects. Since its selection, the City and LS Power have met monthly to work through issues and collaborate on mutually beneficial solutions to meet its aggressive timeline for coming online to meet the identified reliability needs. LS Power is slated to begin construction in 2026 and estimates the lines powering on in 2028.

LS Power is actively developing two transmission lines in the City, one of which is called the Power Santa Clara Valley Project, also known as the Metcalf - San José B High-Voltage Direct Current Project. This line is proposed to come from the south, along Monterey Road to Downtown San José. The other transmission line project is called the Power the South Bay Project and will come down through the northern part of the City. The California Independent System Operator selected LS Power to develop, construct, and own these transmission lines to meet electric reliability needs in the South Bay area. Each project will strengthen the electrical grid by providing robust new connections within the City and surrounding areas, helping support policies like Climate Smart San José and future economic development.

During the construction period, the City anticipates disruption along the transmission line route, which is still being confirmed and is anticipated to impact approximately 15 miles of City streets

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among the two projects. Staff will report to the Transportation and Environment Committee with regular updates on impact and schedule.

LS Power is currently preparing an application for a Certificate of Public Convenience and Necessity for each project to submit to the California Public Utilities Commission that would authorize the construction of each project. One component of the Certificate of Public Convenience and Necessity application is “a listing of governmental agencies with which proposed route reviews have been undertaken, including a written agency response to [LS Power’s] written request for a brief position statement by that agency.” The City of San José has been and will continue to be an important project stakeholder. These upgrades will help our region stay in front of growing energy demand. We support the projects’ goals to strengthen the grid and provide a highly reliable and stable electric transmission system for San José’s residents and businesses.

/s/

KIP HARKNESS

Deputy City Manager

The principal authors of this memorandum are J. Guevara, Deputy Director, Public Works and Erica Garaffo, Assistant to the City Manager, City Manager’s Office. For questions, please contact J. Guevara, at j.guevara@sanjoseca.gov or (408) 807-1801.