

6.1 SAN JOSÉ POWER STATUS UPDATE

CROSS-REFERENCED FROM TRANSPORTATION AND ENVIRONMENT COMMITTEE
CITY COUNCIL PRESENTATION | DECEMBER 17, 2024



Presented by: Kip Harkness, Deputy City Manager
Erica Garaffo, Assistant to the City Manager, Lead Resilience Strategist

EXPLORATORY PHASE – KEY QUESTIONS

If the City were to provide Municipal Utility for Electric Service in limited areas of the city, could that be done in a way that would...

1. Reduce electricity energy costs for SJ Power Customers?
2. Allow the development of more innovative and energy efficient buildings?
3. Increase the electrical resilience of the City of San José and our critical infrastructure for both climate change and emergency response?
4. Enable us to attract and retain the skilled, trained, and talented workforce required to perform this work effectively and reliably?

STANDING UP SAN JOSÉ POWER WOULD ENTAIL...

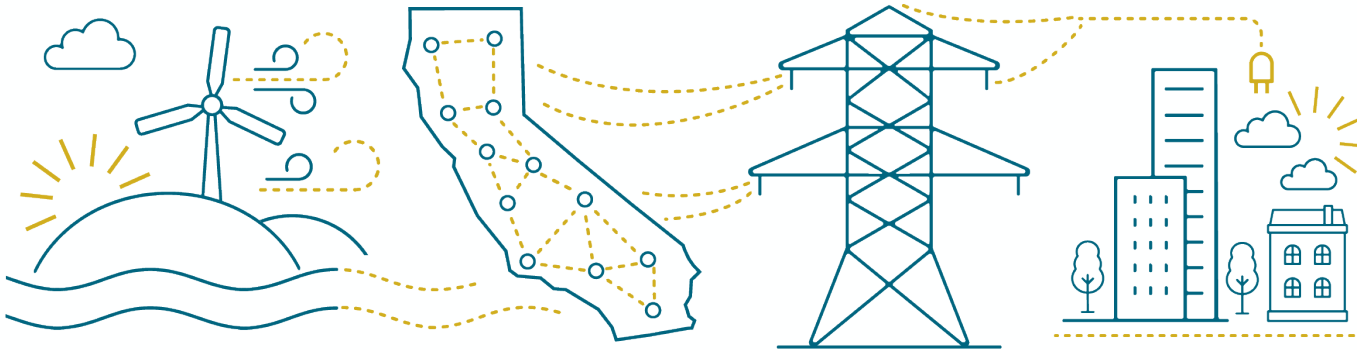
**Electricity
Generation**



**Transmission
Interconnection**



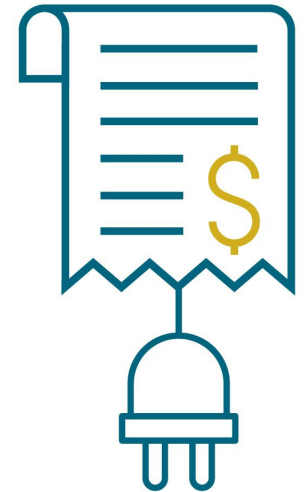
**Electrical
Distribution**



City Team & Consultants



Customer

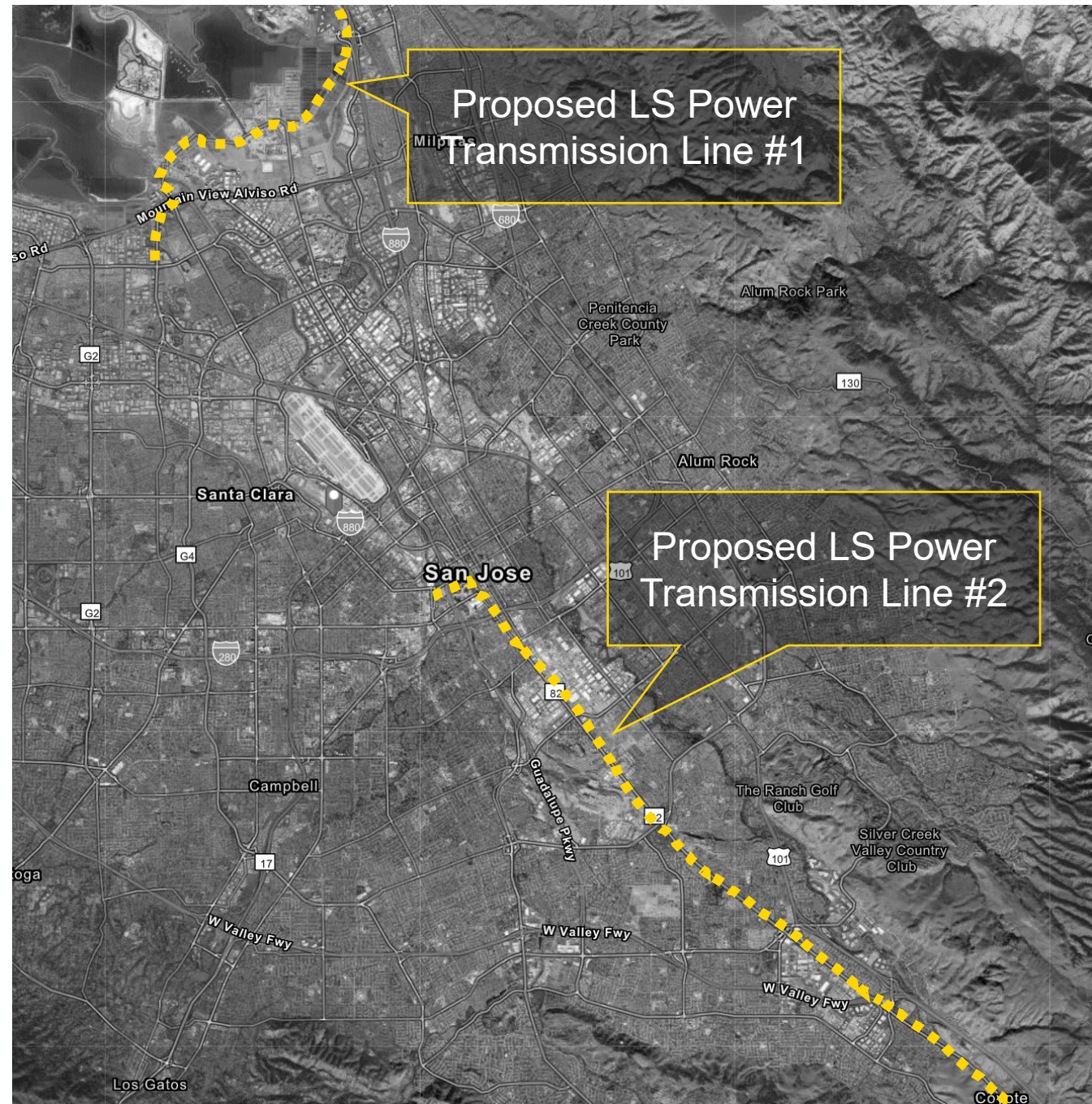


CAISO TRANSMISSION LINES – 2000 MW OF ADDITIONAL CAPACITY

CAISO is contracting with LS Power to build two new transmission lines through and into San José:

- Transmission Line #1 (North San José): 1000 MW – High voltage AC line running from Fremont to Santa Clara past Regional Wastewater Facility.
- Transmission Line #2 (Downtown San José): 1000 MW – High voltage DC line running from Coyote Valley to Downtown San José.

Both lines will be constructed between 2026-2028, with full operation expected between mid to late 2028.



DOWNTOWN SAN JOSÉ



The City of San José filed two interconnection requests* with LS Power:

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MUTUAL COOPERATION AGREEMENT



Developing a Mutual Cooperation Agreement (MCA) to with potential developer/customer to advance staff's exploratory phase and feasibility assessment to the next level of due diligence.

Developer Responsibilities Under MCA:

- Reimburse the City for feasibility assessment costs.
- Evaluate specific infrastructure needs for proposed developments.
- Develop and refine business case, staffing plan, and financing strategy.

Under the MCA, the potential developer/customer would be granted an exclusive opportunity to develop an agreement to launch San José Power to serve their development(s)

COLLABORATION WITH IBEW & PG&E

Collaborating with IBEW on:

- Long term Power Purchase Agreement project selection criteria.
- Potential building electrification workforce development programs.
- Municipal Utility Staffing



Collaborating with PG&E on:

- MOU for cooperation on the economic development of Downtown and North San José through the timely construction of the electrical distribution infrastructure required to support development in those areas and meet the City's decarbonization goals.
- Currently being drafted and would commit to providing competitive terms, including certainty and speed for interconnections.



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