



City of Morgan Hill

Legislation Text

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CITY COUNCIL STAFF REPORT

MEETING DATE: FEBRUARY 22, 2017

PREPARED BY: Steve Rymer, City Manager

SOUTH COUNTY POWER CONNECT PROJECT UPDATE AND POSSIBLE CITY COUNCIL POSITION

RECOMMENDATION(S)

1. Receive South County Power Connect project update; and
2. Consider taking a formal position on potential locations.

COUNCIL PRIORITIES, GOALS & STRATEGIES:

Ongoing Priorities

Protecting the Environment

Preserving and Cultivating Public Trust

2017 Strategic Priorities

Infrastructure

Regional Initiatives

POLICY CONSIDERATIONS:

Should Council take a formal position on the potential locations for the South County Power Connect project?

REPORT NARRATIVE:

On January 25, 2017, the City Council received an update from Pacific Gas and Electric (PG&E) about its efforts to locate a new substation, two transmission lines, and upgrades to existing transmission lines in the area. Since then, the City received an e-mail from PG&E informing us the California Independent System Operator (CAISO), which is responsible for operating and managing California's energy grid, informed PG&E that it is reassessing projects throughout California, including the proposed South County Power Connect project.

The CAISO previously evaluated and confirmed the need for South County Power Connect in 2014. As stated in PG&E's communication, the CAISO's reassessment is intended to ensure the proposed project meets current electric demand forecasts and minimizes costs to customers. The reassessment will also focus on the project options PG&E has identified thus far and may consider

other energy infrastructure improvements as potential solutions.

Due to CAISO's decision to reassess the project, PG&E is postponing their public updates, ongoing studies, and project applications until CAISO's evaluation is complete.

Regardless of the delay, the City Council has not taken a formal position on any of the potential project locations. The purpose of this agenda item is for the Council to discuss the current proposed sites (see attached) and decide if it would like to take a formal position that will then be shared with PG&E and the community.

COMMUNITY ENGAGEMENT: Inform

PG&E has held several community meetings on this project including 60 briefings and presentations to local organizations and 11 open houses and community meetings.

ALTERNATIVE ACTIONS:

Council could choose to not take a formal position on the project location at this time.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On January 25, 2017 the Council received a project update from PG&E.

FISCAL AND RESOURCE IMPACT:

The fiscal impact, if any, is unknown at this time.

CEQA (California Environmental Quality Act):

Not a Project

LINKS/ATTACHMENTS:

PGE-Substation-Site-Options-and-Refined-Transmission-Line-Corridors-Map