



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 15, 2022

FROM: CITY MANAGER'S OFFICE WARDS: ALL
PUBLIC UTILITIES DEPARTMENT

**SUBJECT: RIVERSIDE TRANSMISSION RELIABILITY PROJECT – PROJECT ANALYSIS
BY CALIFORNIA STRATEGIES, LLC, AND CONSIDERATION OF RESOLUTION
IN SUPPORT OF FURTHER UNDERGROUNDING AND IMPLEMENTATION OF
ACTION PLAN**

ISSUE:

Receive a report from California Strategies, LLC, and discuss the Riverside Transmission Reliability Project (RTRP) analysis; and consider adopting a Resolution in support of further undergrounding of RTRP and implementation of the Action Plan in California Strategies' report.

RECOMMENDATIONS:

That the City Council:

1. Receive a report from California Strategies, LLC, and discuss the Riverside Transmission Reliability Project (RTRP) analysis; and
2. Adopt a Resolution in support of further undergrounding of RTRP and implementation of the Action Plan in California Strategies' report;

- OR -

3. Direct staff to continue to work collaboratively with Southern California Edison on the project as previously approved by the City Council and the California Public Utilities Commission.

COMMITTEE RECOMMENDATION:

The Financial Performance and Budget Committee met on October 20, 2022, with Chair Hemenway, Vice Chair Cervantes and Member Fierro present, to discuss California Strategies' analysis of the Riverside Transmission Reliability Project (Project). After discussion, the Committee unanimously voted to recommend proposing a Resolution in support of further undergrounding of the Riverside Transmission Reliability Project and implementation of the five-step Action Plan outlined in California Strategies' analysis.

BACKGROUND:

The Project

The Southern California Edison (SCE) project as approved by the California Public Utilities Commission (CPUC), is the design, construction, and operation of a high voltage transmission line to supply reliable electric service to the City of Riverside through a new second connection to the state bulk electric system grid. The Riverside Transmission and Reliability Project (RTRP) consists of construction of 10 miles of 230,000 volt (230kV) double circuit transmission line (approximately four miles underground, six miles above ground) and new 230kV substation and associated facilities needed by SCE to operate the facilities. All of the transmission lines originally proposed in the Environmental Impact Report (EIR) prepared and approved by Riverside were to be installed using above ground construction. The original project was redefined as the “revised project” to settle a legal challenge from property developers in Jurupa Valley along the proposed route. The revised project proposed to underground two miles of transmission line within the area of 68th Street heading north on Pats Ranch Road. No legal challenges or recommendations to modify the project design for the portion of the project south of the Santa Ana River in the City of Riverside were made at that time.

An “Alternative 1” project proposal was later developed in response to directives by the CPUC to consider further project alternatives and mitigate known significant environmental impacts. The result was the Alternative 1 project which proposed to underground an additional 2.1 miles of transmission lines in Jurupa Valley thus creating an underground transmission line from the point of interconnection (SCE Mira Loma Substation) to a location prior to extending across the Santa Ana River. Alternative 1 was deemed by CPUC as the environmentally superior alternative reducing “RTRP’s impacts on aesthetics and agricultural and forestry resources.”

Certificate of Public Convenience and Necessity

On March 18, 2020, the CPUC as the regulatory agency granted to SCE a Certificate of Public Convenience and Necessity (CPCN) for the Riverside Transmission and Reliability Project. The CPCN authorizes SCE to construct RTRP as currently designed, the CPUC determined the Subsequent Environmental Impact Report was completed in compliance with the California Environmental Quality Act (CEQA), that the total maximum project cost of the project not exceed \$521 million, and required any changes in project scope and schedule greater than a project refinement (inside the geographic boundary of the EIR study area, no new significant impact or substantial increase in the severity of a previously identified significant impact) be subject to a petition to modify application by SCE to the CPUC.

The CPCN identifies the clear need that Riverside and its customers have for a second point of interconnection for bulk power transmission. It identifies Riverside as the only electric utility in California with a single point of connection to the state bulk transmission system that is served by transmission lines below 230,000 volts (230 kV) and recognized the significant outages at the SCE Vista Substation in 2005 and 2007. The CPUC weighed the environmental impacts of the project based on the testimony and documents submitted into the legal record and determined that Riverside’s needs “are overriding considerations that serve the public convenience and necessity and outweigh the project’s unavoidable impacts on aesthetics, agricultural and forestry resources, noise and transportation and traffic, and its significant contribution to cumulative hydrology and water quality impacts.”

Previous City Council Meetings

On April 5, 2022, a team of Southern California Edison representatives presented details on the project's progress toward engineering, permitting, procurement and what Riverside residents can expect once construction begins. After a Public Comment period, City Council members asked questions of SCE representative and the Riverside Public Utilities Department General Manager.

On May 10, 2022, the Public Utilities Department and Southern California Edison representatives returned to City Council with additional research and analyses in response to questions posed during the April 5 meeting. The City Council was asked to consider conducting due diligence activities for the purpose of determining the legal, financial, and operation feasibility of potential project modifications to Southern California Edison's portion of the Riverside Transmission Reliability Project (RTRP). Following discussion, the City Council authorized Councilmember Hemenway to work with city staff and a consultant for an assessment/study of RTRP.

Request for Proposal Process

The City Manager's Office worked with Councilmember Hemenway, Public Utilities, and Purchasing to prepare a scope of work, and Request for Proposals No. 2209 was posted for bidding on the City's online bid system on June 1, 2022, with notifications sent to over 50 prospective bidders. There were no proposals submitted in response to this RFP at the deadline on June 15, 2022.

The scope of work was reviewed and revised and on June 27, 2022, RFP 2217 was posted for bidding on the City's online bid system, with notifications sent to over 60 prospective bidders. On July 11, the bidding period was extended to July 29, in order to allow additional time for prospective bidders to submit proposals. On July 29, 2022, three proposals were submitted, with one of the proposals, (California Strategies, LLC) being deemed non-responsive.

A selection committee of staff from the City Manager's Office, the Public Utilities Department, and Pasadena Water & Power evaluated the proposals and determined Sargent & Lundy Engineers, LTD to be the top ranked proposer. However, Sargent & Lundy's cost of \$292,000, and the cost of the second responsive proposal submitted by DNV Energy USA, Inc., of \$458,762.50 exceeded the direction of Council to proceed with a study within City Manager signature authority of \$50,000. Staff was unable to negotiate a contract with either firm that would address the full scope of work and be within City Manager signature authority.

On August 23, 2022, the Purchasing Manager rejected all bids for RFP 2217, and issued RFP 2234, an informal Request for Proposals, that stated that the scope of work was not negotiable and would not exceed \$50,000, with notifications sent to over 80 prospective bidders. On August 26, the bidding deadline was extended to September 2. On September 2, 2022, one proposal was received, from California Strategies, LLC. The Purchasing Manager deemed the proposal responsive, and as the proposed cost of \$49,990 was within City Manager signature authority, a contract in this amount was executed on September 15, 2022.

DISCUSSION:

The presentation accompanying this report is an update on the work performed by California Strategies related to the RTRP project. The presentation identifies potential options that address some of the concerns raised about the project, including a recommended five-step Action Plan to further undergrounding for RTRP:

Step 1 - Resolution and Task Force Creation

- Step 2 - Organizational Efforts
- Step 3 - Funding Source Identification
- Step 4 - CEQA Investigation
- Step 5 - CPCN Petition of Modification

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 6 – Infrastructure, Mobility & Connectivity** and **Goal 6.2** – Maintain, protect and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Conducting due diligence activities to determine the legal, financial, and operation feasibility of potential project modifications to Southern California Edison’s portion of the Riverside Transmission Reliability Project is being discussed and considered in a public forum at a City Council meeting.
2. **Equity** – Riverside Transmission Reliability Project outcomes will benefit the entire community.
3. **Fiscal Responsibility** – Open, competitive procurement was used to determine the market cost for services.
4. **Innovation** – Riverside is keeping abreast of interconnection needs to the state electric transmission grid in order to respond to and prepare for any potential impacts to the community.
5. **Sustainability & Resiliency** – RTRP addresses Riverside’s lack of sufficient electric delivery capacity from the state electric grid.

FISCAL IMPACT:

There is no fiscal impact associated with receiving this report.

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Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Concurs with;



Steve Hemenway, Chair
Financial Performance and Budget Committee

Attachments:

1. Resolution
2. California Strategies' Project Analysis
3. Presentation (City's)
4. Presentation – California Strategies