

RTRP- INCREASE WORK ORDER NO. 642975 IN THE AMOUNT OF \$144,910,000 AND SUPPLEMENTAL APPROPRIATION OF \$125,000,000

Riverside Public Utilities

Board of Public Utilities
August 24, 2020

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BACKGROUND

1. Riverside Transmission Reliability Project (RTRP) is a joint project with Southern California Edison (SCE) to provide City of Riverside a critical second connection to the state transmission grid
2. Address the capacity and reliability needs of the City
3. January 20, 2006, the Board approved RTRP
4. February 5, 2013, the City Council certified the Final Environmental Impact Report (FEIR) for RTRP

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HISTORY OF RTRP

<p>December 2004 Riverside submits application to SCE for a second interconnection point to the CAISO grid</p>	<p>2005 SCE conducts system and facilities studies</p>	<p>January 2006 Riverside Public Utilities Board approves Riverside Transmission Reliability Project (RTRP)</p>	<p>June 2006 CAISO Board of Governors approves RTRP and urges SCE to complete RTRP by Q2 2009</p>
<p>February 2013 Riverside City Council certifies RTRP EIR (2013 RTRP EIR)</p>	<p>April 2015 SCE submits RTRP CPCN application to CPUC</p>	<p>September 2016 SCE revises RTRP CPCN application to underground a portion of the transmission line (the "Hybrid Project")</p>	<p>January 2018 RTRP Lower Voltage and Other Design Alternatives Report filed with the CPUC</p>
<p>October 2018 CPUC issues the Final Subsequent EIR (FSEIR)</p>	<p>March 2020 CPUC issues CPCN for RTRP</p>	<p>February 2021 RTRP construction starts (anticipated)</p>	<p>2026 RTRP estimated completion</p>

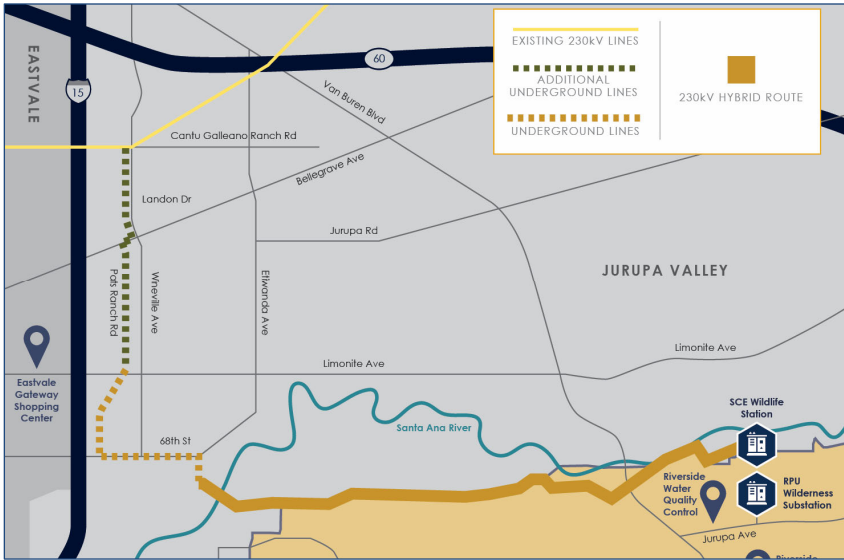
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SCE - SCOPE OF WORK



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ELEMENTS OF HYBRID PROJECT (SCE'S PORTION)



Approximately **5 miles** of new **overhead 230kV** transmission line



Approximately **4 miles** of new **underground 230kV** transmission line



Telecommunication facilities between the existing Mira Loma and Vista Substations, and the proposed Wildlife Substation



Modifications of existing overhead distribution lines



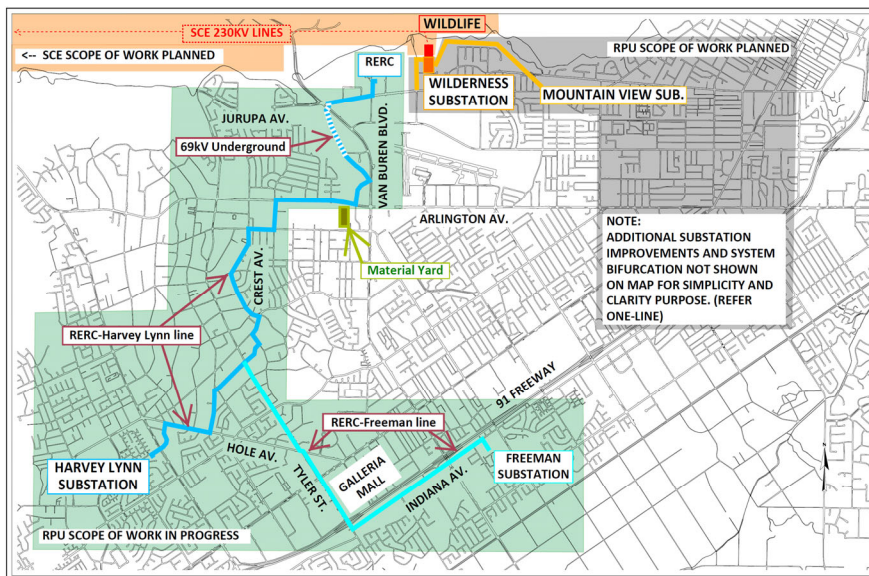
Modifications at existing substations



New 230kV Wildlife Substation



RPU – SCOPE OF WORK



ELEMENTS OF HYBRID PROJECT (RPU'S PORTION)



Approximately
9 miles of new
overhead 69kV
sub-transmission
lines



Approximately
0.5 miles of new
underground
69kV sub-
transmission line



**New 230/69-kV Wilderness
Substation and its integration**
in RPU system via six new 69-kV
overhead sub-transmission line
connections (approx. 3 miles)



Modifications of
existing system –
Improvements
and bifurcation



Modifications
at existing RPU
substations



Telecommunication
facilities for Wilderness
Substation

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RPU ELECTRIC SYSTEM BIFURCATION

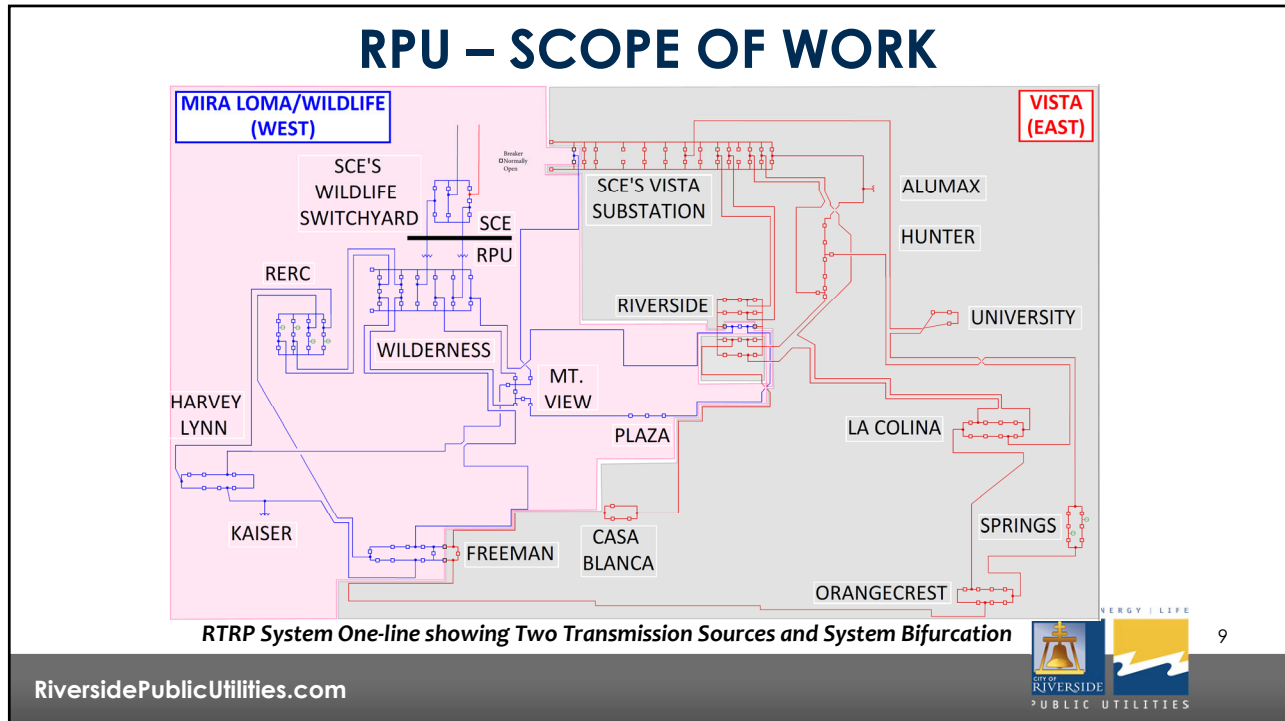
1. The RTRP project will divide RPU's electric system in two sections – East and West systems
2. The East system will be served from SCE's existing Vista station (Grand Terrace Rd. and Newport Ave.)
3. The West system will be served from SCE's new Wildlife Station (near Wilderness Ave. and Ed Perkie St.)
4. Both systems designed to operate in parallel under emergency conditions to meet the reliability standards if one of SCE source is lost
5. SCE and RPU Grid Operations coordination is required

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BOARD APPROVED AND IN-PROGRESS COMPONENTS

1. November 25, 2019 - Board authorized an additional \$29,000,000 for RTPR WO 642975 for total amount of \$71,605,521
2. Project components for RPU, not dependent on CPUC approval:
 - a) RERC to Harvey Lynn & RERC to Freeman Sub-transmission lines
 - b) Materials Handling Yard
 - c) Harvey Lynn, Freeman and RERC substation upgrades
 - d) Support for CPCN application related matters and Preliminary design activities for remaining project components

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BOARD APPROVED AND IN-PROGRESS COMPONENTS

3. Total RTRP spending to date \$48.7 Million

Major Expenses	Description
\$15.4 Million	SCE costs related to CPCN and Interconnection Facility Agreement Activities
\$17.1 Million	Engineering and Consulting services (Legal, Real Estate)
\$8.8 Million	Construction Contracts and related activities
\$7.4 Million	RPU Engineering, Labor, Overhead & Miscellaneous Costs
\$48.7 Million	TOTAL

4. RPU's Reimbursable costs:

- a) Costs of ISO controlled facilities and costs in support of CPCN and CEQA related activities are subject to reimbursement from SCE per Interconnection Facilities Agreement with SCE
- b) RPU has received reimbursement of these costs from SCE in amount of \$21,785,355



ADDITIONAL FUNDING AND BOARD APPROVAL FOR PROJECT COMPONENTS

1. March 12, 2020 - CPUC approved RTRP and granted SCE Certificate of Public Convenience and Necessity (CPCN)
2. The work for the following project components will need to commence:
 - a) New 230/69kV Wilderness Substation
 - b) 69kV overhead connections to integrate Wilderness Substation in RPU electric system
 - c) Mountain View, Freeman, Riverside and RERC Substation Upgrades
 - d) 69kV system improvements to support new split system configuration
 - e) Support & Coordinate with SCE's 230kV scope of work
 - f) Regulatory and Compliance matters



ADDITIONAL FUNDING AND BOARD APPROVAL PROJECT COMPONENTS (CONTINUE)

3. RPU scope of work for remaining component requires additional funding in the estimated amount of \$144,910,000
4. The \$144,910,000 funds will cover expenses related to:
 - a) Project management and engineering consultant services
 - b) Land Acquisition
 - c) Materials and Construction of new Substation and lines
 - d) RPU internal labor, material, and equipment
 - e) Payments for Interconnection Facility Agreement charges with SCE



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ESTIMATED COSTS

RTRP Project Components	Estimate Total
New Wilderness Substation	\$ 57,711,000
Mountain View Substation upgrades	\$ 1,433,238
Freeman Substation upgrades	\$ 944,638
Riverside Substation upgrades	\$ 685,763
RERC Substation upgrades	\$ 440,000
Telecommunications work	\$ 1,000,000
System Integration of Wilderness Substation (66kV Overhead connections)	\$ 16,900,000
Equipment and Material Yard	\$ 1,470,000
Internal System Improvements to support modified system configuration:	
System Bifurcation and Compliance Matters	\$ 6,000,000
Casa Blanca Substation upgrades	\$ 6,079,613
Orangecrest Substation upgrades	\$ 854,638
Plaza Substation upgrades	\$ 440,000
Kaiser Substation upgrades	\$ 240,000



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ESTIMATED COSTS (CONTINUED)

RTRP Project Components	Estimate Total
Project Contract/Consultant staff - Labor	\$ 7,500,000
Customer/Community Outreach, General Project Communications	\$ 500,000
Additional legal support	\$ 600,000
IFA - Interconnection Facilities Agreement Payments	\$ 15,935,411
Subtotal	\$ 118,734,301
Contingency (20% of subtotal)	\$ 23,746,860
Adjustments	
Interconnection Facilities Agreement costs up to CPUC approval date of March 12, 2020	\$ 900,000
Adjustment to cover additional contingency for Steel Poles for the RERC - Harvey Lynn line PO#153271	\$ 315,303
Labor costs to support RERC - HL, RERC-FRMN line Construction	\$ 600,000
Adjustment to cover additional 10% contingency for overhead Construction contract and materials for RERC-FRMN	\$ 613,000
Total	\$ 144,909,464

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PROJECTED CASH FLOW BY FISCAL YEAR

Estimated Cash Flow Needs by Fiscal Year	
Fiscal Year	Funding for Planned Expenses
FY 2020-2021	\$ 43,363,827
FY 2021-2022	\$ 45,043,883
FY 2022-2023	\$ 30,607,687
FY 2023-2024	\$ 13,619,587
FY 2024-2025	\$ 11,207,112
FY 2025-2026	\$ 1,067,368
Total	\$144,909,464

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SUPPLEMENTAL APPROPRIATION

1. A supplemental budget appropriation in the amount of \$125,000,000 to Account No. 6130000-470685 is needed to fund the \$144,910,000 increase for Work Order No. 642975 to meet the project costs (available in the Electric Fund).
2. The City's FY 2020/2021 Emergency Budget was a direct result of the COVID-19 pandemic and did not allow for the regularly scheduled budget conversations and approval requests to increase the Capital Improvement Budget.
3. When the City's Capital Improvement Budget is next reviewed, this supplemental appropriation will be included for the Project.

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RECOMMENDATIONS

That the Board of Public Utilities:

1. Recommend that the City Council approve a supplemental appropriation of \$125,000,000 in the Public Utilities Electrical Capital Account to be funded from the Electric Fund (Fund 510) for Riverside Transmission Reliability Project components including Wilderness Substation, line work and associated components as presented herein; and
2. Authorize the increase of Work Order No. 642975 by \$144,910,000 to continue funding construction of the Riverside Transmission Reliability Project, including Wilderness Substation, line work and associated components as presented herein, for a total work order amount of \$216,515,521.

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