

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 4, 2013**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, June 4, 2013, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Johnson, Mayor Pro Tempore Katzakian, and Mayor Nakanishi

Absent: Council Member Mounce

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Status Report on 230kV Interconnection Project (EUD)

City Manager Bartlam briefly introduced the subject matter of the proposed 230kV interconnection project.

Electric Utility Director Elizabeth Kirkley provided a PowerPoint presentation regarding the 230kV Interconnection Project. Specific topics of discussion included the existing 60kV grid inter-tie reliability and capacity, CAISO (California Independent System Operator) TAC (Transmission Access Charges) forecast, PG&E area study, CAISO Board approval of Lodi project and reliability projects, 230kV development project, industrial substation expansion, project time line and team, and the next steps for the project.

In response to Council Member Johnson, Ms. Kirkley stated staff asked not to include the CT (combustion turbine) in Lodi in the study so that additional considerations to bring service into town would not be included.

In response to Council Member Hansen, Ms. Kirkley stated both STIG (steam injected gas turbine) plants are included in the study.

In response to Mayor Pro Tempore Katzakian, Ms. Kirkley stated the utility pays both TAC charges because it is using both the high and low grids.

In response to Mayor Nakanishi, Ms. Kirkley stated PG&E should use the 130MW figure instead of 152MW in the study so that it can see the need for capacity.

In response to Mayor Nakanishi, Ms. Kirkley stated without renewables the light and dark green portions of the graph on the forecast slide would be eliminated.

In response to Council Member Hansen, Consultant Mike Keller stated 85% of the load shown on the Lockeford-Lodi Area Study map is service for the City.

In response to Council Member Hansen, Mr. Keller stated PG&E is no longer fighting building the project that was mandated upon it although various decisions pertaining to the actual route, environmental studies, and right-of-way access have yet to be made.

In response to Council Member Hansen, Ms. Kirkley stated the PG&E project increases reliability but other than that it is a separate issue with respect to the proposed line from the west, which

may still have some benefit and will be explored in the future.

In response to Council Member Hansen, Mr. Bartlam confirmed that PG&E may need to pay the City for use of the land shown on the industrial substation expansion slide.

In response to Council Member Johnson, Mr. Bartlam stated approximately half of the property would still be available after 230kV service completion.

In response to Council Member Hansen, Mr. Keller stated two transformers will need to be procured and there is approximately a one-year lead time on them.

In response to Council Member Hansen and Mayor Pro Tempore Katzakian, Mr. Bartlam confirmed that the City will need to upgrade its portion of the substation, which includes the two new transformers, prior to PG&E upgrading its portion, which includes the switching station.

In response to Council Member Hansen, Mr. Bartlam stated the City will need to manage and oversee the PG&E project with PG&E and through CAISO to ensure scheduling and consistency as it pertains to geography, property owner consultation, and environmental studies.

In response to Council Member Johnson, Ms. Kirkley and Mr. Bartlam confirmed that the \$20 million cost should see the project through completion in 2017, the approximate estimated cost of a line to the west is \$40 million, and PG&E's project includes both a double line and a 230kV connection instead of a 60kV connection. Mr. Bartlam stated a line to the west in the future may be beneficial because the City may pay less voltage charges but the proposed 230kV project before the Council currently remains the priority project because it provides both reliability and capacity at a shared cost.

In response to Mayor Pro Tempore Katzakian, Mr. Bartlam confirmed that the substation with the transformers is approximately \$15 million of the \$20 million total project cost.

In response to Mayor Pro Tempore Katzakian, Mr. Bartlam stated for comparable purposes General Mills uses 3MW.

In response to Mayor Nakanishi, Mr. Keller stated the CAISO operates PG&E-owned transmission lines throughout the State. Mr. Keller stated PG&E is the largest owner and he will provide the relevant information as to who owns the transmission lines percentage wise throughout the State.

In response to Ed Miller, Mr. Bartlam stated the substation is located at Thurman Street and Guild Avenue east of Highway 99 and payback on the proposed project with cost and finance charges is approximately ten years.

C. Comments by Public on Non-Agenda Items - None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:00 a.m.

ATTEST:

Randi Johl
City Clerk