



Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 530-544-4811

December 23, 2022

Via Electronic Transmission Only
Alice.Reynolds@cpuc.ca.gov

Dear President Reynolds:

This letter is in response to your request for information regarding projects that Liberty Utilities (CalPeco Electric) LLC (“Liberty”) submitted for the Grid Resilience Innovative Partnership (GRIP) programs under the Infrastructure and Jobs Act of 2021 (“IIJA”)/Bipartisan Infrastructure Law (“BIL”) federal funding opportunities. Your letter dated November 28, 2022, to all California electric and gas investor-owned utilities (“IOUs”) requested project-specific information for all concept papers submitted to the Department of Energy.

Liberty submitted two project concept papers for potential Competitive Grant funding opportunities and is currently exploring a third submission. Below is the information you requested regarding the projects Liberty submitted for consideration:

Identify the specific DOE programs your utility is and is not planning to apply for and why.

Liberty submitted two project concept papers for the Department of Energy’s Grid Resilience and Innovation Partnership Program (GRIP). Liberty submitted “625 Line Rebuild & Tahoe City Substation Rebuild” project under the Grid Resilience Utility and Industry Grants Funding Program (40101(c)). This project proposes to rebuild and upgrade an existing 60kV line to 120kV to significantly improve the resiliency and reliability of Liberty’s grid. Liberty also submitted a project concept paper for “Project Leapfrog” under the Smart Grid Grants Funding Program (40107) that will facilitate the deployment of Advanced Metering Infrastructure (“AMI”) technology along with a suite of additional operational communications and grid edge computing capabilities that the newest generation of AMI meters offer.

Liberty is currently reviewing potential projects to submit under the Grid Innovation Funding Program (40103(b)) and expects to submit a concept paper before the January 13, 2023 deadline.

Provide details about projects proposed for each grant and loan, including the cost range for each project.

The “625 Line Rebuild & Tahoe City Substation Rebuild” submitted under Topic Area 1: Grid Resilience Grants (40101(c)), proposes to rebuild and upgrade an existing 60kV line to 120kV to significantly improve the resiliency and reliability of the local grid. The existing 625 Line experiences the most outages in the North Tahoe transmission system due to snow loading and downed trees. The line runs through a mountainous and heavily forested route with very limited

access points for maintenance and repairs. The new 625 Line will be relocated along an old logging road referred to as the fiberboard freeway, where it will be less susceptible to extreme weather conditions, and will have new, easily accessible access points to the line. Voltage line upgrade and substation rebuild will enable the operation of the entire North Tahoe Transmission loop at a higher 120 kV voltage.

This project will improve community resilience and will bring major reliability and safety benefits. When completed, the transmission system will secure the power supply and reduce dependence on local diesel generators during single-contingency events, make the grid more resilient to extreme weather-related events, reduce risks of wildfire, and improve power line life-cycle management with better access to the 625 Line for maintenance. This project will also enable the continuous operation and further expansion of the local recreational resorts that are the economic backbone of the entire Lake Tahoe region. The current estimated cost for this project is approximately [REDACTED].

The Leapfrog Project seeks to surpass basic AMI functionalities in a single step and provide a more advanced operating environment with new grid computing and OT tools to manage rapidly changing consumption needs and improve service delivery and operating efficiency. The current estimated cost for this project is approximately [REDACTED].

Identify any applicable CPUC, California Energy Commission (CEC), or other programs that may provide match funding for the project(s) identified.

Liberty submitted all projects to the California Energy Commission (“CEC”) to review for potential consideration for their Grid Resilience Innovation Partnership (“GRIP”) program application. The CEC did not select any Liberty projects but encouraged Liberty to submit the projects for potential future consideration in the CEC’s Community Energy Resilience Investment (“CERI”) program that they are developing in response to the 40101(d) formula funds. Liberty may also potentially participate in the newly forming CEC Distributed Electricity Backup Assets (“DEBA”) program.

Explain how the proposed project(s) maps to existing state priorities, including electric and gas customer rate and bill reductions, safety improvements, reliability enhancements and greenhouse gas emission reductions.

The “625 Line Rebuild & Tahoe City Substation Rebuild” project will provide safety, reliability and environmental benefits to the communities by reducing the wildfire hazards associated with Liberty’s existing line equipment and routing. Rebuilding the 625 Line in a region prone to wildfires can help prevent catastrophic events by providing a line that is designed and constructed such that it is less susceptible to high winds and falling branches or trees. Additionally, Liberty will utilize fire-resistant materials and will install additional protective measures that can help prevent fires from starting if the power line is damaged. Liberty will also rebuild the 625 Line with fiber optic cabling to enable high-speed tripping, which reduces the

electrical energy available to start fires. Additional environmental benefits will be attained by reducing the reliance of the system on Liberty's Kings Beach diesel generation plants. The diesel generators are currently utilized at peak times to provide adequate capacity and voltage support during single-contingency events. By increasing the capacity of the transmission system to 120kV, Liberty will substantially reduce reliance on its diesel generators. Either side of the transmission loop will have enough capacity to deliver the power into the system and provide reliable service to the customers.

"Project Leapfrog" will empower Liberty to move forward with its strategic plans for the enablement of real-time energy analysis and reporting tools capable of enabling carbon intensity monitoring of real-time supply mix. It will also eliminate the need for manual meter reading, which would reduce both risk exposure faced by Liberty's meter reader employees (weather, motor vehicle accidents, possibility of property owner confrontations, etc.) and GHG emissions from the company's vehicle fleet, along with reducing O&M costs. The introduction of field apps would further enhance employee safety by helping quickly pinpoint outage boundaries and predict causes before crews leave the service center, identifying potential unlawful customer solar installations that may lead to serious harm to line personnel during emergency restoration work if not properly isolated, and reducing exposure through DA-driven truck roll reduction.

Explain if the project is related to existing CPUC-authorized funding or cost recovery requests and whether the project has already been CPUC-approved. If funding has not yet been approved, explain how the project contributes to cost reductions for ratepayers.

The "625 Line Rebuild & Tahoe City Substation Rebuild" project has not been submitted to the Commission in any ratemaking proceeding. Grant funding will reduce the costs to ratepayers for this important project.

Portions of "Project Leapfrog" were included in Liberty's 2022 General Rate Case ("GRC") filing, which is still pending. Liberty reached an all-party settlement in the proceeding that is still awaiting Commission approval. Liberty requested a baseline AMI deployment. The entire Project Leapfrog was not requested in Liberty's 2022 GRC. The proposed settlement provides Liberty with authorization to add the project into rates, via a Tier 2 Advice Letter, when the project is placed into service. Any grant funding provided to Liberty for "Project Leapfrog" will reduce the impact to rates when Liberty completes the project.

Identify if any proposed projects are in state-designated disadvantaged communities or on Tribal lands.

None of these projects are in state-designated disadvantaged communities or on Tribal lands. However, according to the U.S. Government's Climate and Economic Justice Screening Tool, two communities in the Kings Beach area are identified as disadvantaged communities meeting burden thresholds under the categories of Low Income, Energy Cost, and Expected Population Loss Rate.

Alice Reynolds, President
California Public Utilities Commission
December 23, 2002
Page 4

Explain the coordination and outreach that has already been done with other stakeholders on these projects.

No coordination or outreach has been done with other stakeholders on any of these proposed projects.

Liberty appreciates your interest in and support of its project submissions. Liberty will continue to review and apply for additional grant funding opportunities as they become available for potential future Liberty projects and programs.

Sincerely,

LIBERTY

/s/ Edward N. Jackson

Edward N. Jackson
President

cc: Clifford Rechtschaffen, Commissioner, CPUC (Cliff.Rechtschaffen@cpuc.ca.gov)
Genevieve Shiroma, Commissioner, CPUC (Genevieve.Shiroma@cpuc.ca.gov)
Darcie L. Houck, Commissioner, CPUC (Darcie.Houck@cpuc.ca.gov)
John Reynolds, Commissioner, CPUC (John.Reynolds@cpuc.ca.gov)
David Hochschild, Chair, CEC, (david.hochschild@energy.ca.gov)
Elliot Mainzer, President/Chief Executive Officer, CaISO (EEMAINZER@caiso.com)
Rachel Peterson, Executive Director, CPUC (rachel.peterson@cpuc.ca.gov)
Christine Jun Hammond, General Counsel, CPUC (christine.hammond@cpuc.ca.gov)
Simon Baker, Acting Deputy Executive Director for Energy and Climate Policy, CPUC (simon.baker@cpuc.ca.gov)
Pete Skala, Director of Efficiency, Electrification, and Procurement, CPUC (pete.skala@cpuc.ca.gov)
Grant Mack, Director of Office of Governmental Affairs, CPUC (grant.mack@cpuc.ca.gov)