



Engineering, Operations & Technology Committee

Authorize the General Manager to enter into an agreement with Intersect Power, LLC for mitigation of impacts to the Colorado River Aqueduct Transmission System

Item 8-5

November 17, 2025

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# Item 8-5

## Mitigation Agreement with Intersect Power, LLC for impacts to Colorado River Aqueduct Transmission System

### Subject

Authorize agreement with Intersect Power, LLC (Intersect) to mitigate impacts to Colorado River Aqueduct High Voltage Transmission System (CRATS)

### Purpose

Provide the Board with information to consider authorizing the General Manager to enter into a mitigation agreement with Intersect

### Next Steps

1. Continued negotiation of and presentation by staff of interim operating agreement with California Independent System Operator (CAISO)
2. Finalize mitigation agreements with remaining Cluster 1 generators
3. Formal engagement in CAISO Transmission Planning Process

# Overall Objectives Affected System Mitigation Agreements



## Objectives

- Protect the continued safe and reliable operation of the CRATS and the Colorado River Aqueduct
- Protect Metropolitan from adverse outcomes
- Help the State meet its goal of improving the reliability of the electric system
- Help the State meet its climate change policy goals (Governor's Executive Order – August 2025)
- Respond to Intersect request for determination of affected system impacts and mitigation on expedited schedule to meet their stated commercial requirements and project development timelines

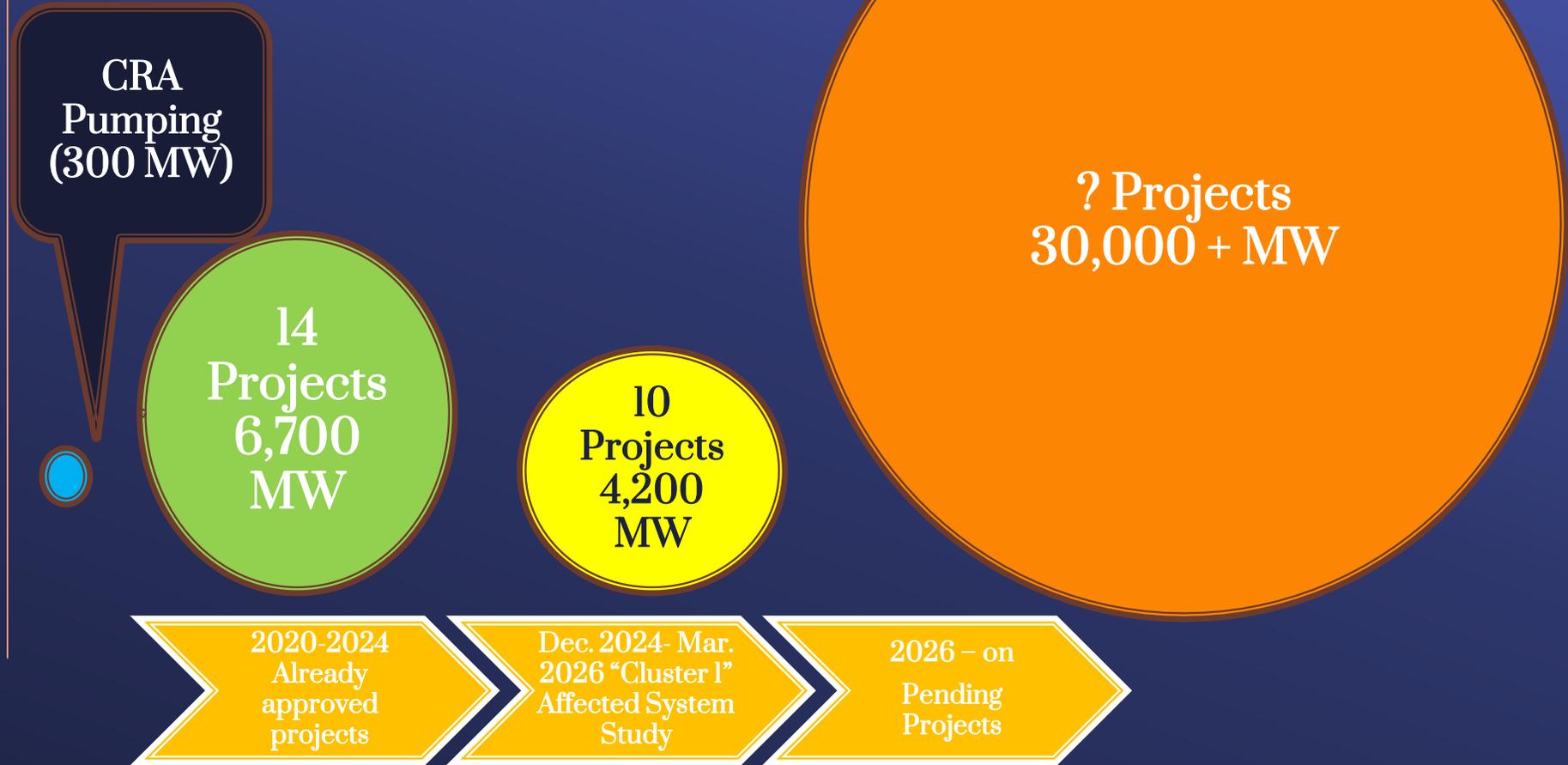
# CRATS Affected System Mitigation Agreements



## Background

- Follow-up to E0&T from May 12, 2025 and October 13, 2025
- Metropolitan has received multiple requests from generation developers (generators) for affected system studies
- Affected system studies identify potential impacts to the CRATS
- Critical to protect Metropolitan's energy and water operations and meet regulatory objectives

# Affected System Study Context and Scale



# CRATS Cluster 1 Affected System Study



## Background

- Initiated December 2024 – estimated completion Q1 2026
- 10 projects identified by CAISO & WAPA studies
- 4,189 megawatts (MW) of generation and/or battery energy storage (BES)
- Assumes 6,672 MW from 14 previously approved projects
- Technical modeling complete
- Initial high-level costs to mitigate system impacts estimated at \$300 + million
- Detailed engineering cost estimates underway
- Pending agreements with generation project developers

# Intersect's Easley Project Solar and BES



## Background

- Phase 1 (350MW solar & BES) and Phase 2 (300 MW BES) for total 650MW
- Interconnects to CAISO (SCE) transmission system at “Red Bluff” - close to CRATS
- Identified impacts to CRATS
- \$2.1 billion investment
- Easley Project development schedule running ahead of Affected System Study schedule
- Affected System Study and negotiation of mitigation agreements will not be complete until end of Q1 2026
- Intersect has informed Metropolitan that it may lose project financing without Metropolitan's approval of Phase 1 of Easley Project in November

# Intersect's Proposal Capacity Swap and Indemnity Agreement



## Key Terms

- ✓ Intersect secures the rights to 200 MW of generation previously approved by Metropolitan (but not yet constructed) to “offset” impact of the 350 MW solar/BES portion of the Easley Project (Phase 1)
- Metropolitan accepts capacity swap as mitigation and approves Easley Phase 1 350 MW solar/BES and Phase 1 moves from Cluster 1 to “approved” status
- ✓ Phase 2 (additional 300 MW BES) remains in “Cluster 1” and pays share of mitigation costs based on Metropolitan Affected System Study results
- ✓ Intersect secures CAISO’s confirmation that CAISO does not object to the proposed capacity swap
- ✓ Intersect agrees to indemnify Metropolitan from any action or claims for five years

## Next Steps



## Next steps

- Finalize and authorize agreement with CAISO for interim operational measures
  - In place until full mitigation is planned, permitted, constructed and operational
  - Nature of measures remains under discussion with CAISO
- Finalize Affected System Study with engineering cost estimate and negotiate and authorize mitigation agreements with Cluster 1 generators
- Initiate additional affected system study agreements with generators outside of Cluster 1
- Formally participate in CAISO's Transmission Planning Process (TPP)

# Proposed Capacity Swap Agreement

## Staff Recommendation

- Option #1: Authorize the General Manager to enter into an agreement with Intersect Power, LLC



