



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Board Information

- **Board of Directors**  
***Engineering, Operations and Technology Committee***

11/18/2025 Board Meeting

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8-5

## **Subject**

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Authorize the General Manager to enter into an agreement with Intersect Power, LLC for mitigation of impacts to the Colorado River Aqueduct Transmission System; the General Manager has determined that the proposed action is exempt or not subject to CEQA [conference with legal counsel regarding anticipated litigation based on existing facts and circumstances, including potential allegations of a breach of an agreement, there is significant exposure to litigation against Metropolitan: one or more potential cases; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)]

## **Executive Summary**

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The additional reference material includes a presentation to the Engineering, Operations and Technology Committee in October. The presentation summarizes the on-going Affected System Study and pending mitigation agreements that will ensure the cost of mitigating impacts to the Colorado River Aqueduct Transmission System caused by additional solar generation projects is recovered from the parties that are developing these solar generation projects. Also included as additional reference material is the Governor's August 2025 Executive Order referenced in the board letter and presentation for this item.

Ref# wso12702090

# EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

## EXECUTIVE ORDER N-33-25

**WHEREAS** California has responded forcefully to the climate crisis with ambitious plans for a clean energy future in which the State will achieve a carbon neutral economy by 2045, and run on 90% clean electricity by 2035 and 100% clean electricity by 2045; and

**WHEREAS** clean energy will power more of the daily lives of Californians as we move closer to those goals, from our cars, trucks and trains, to our homes and buildings, to our industrial sector such as manufacturing and data centers; and

**WHEREAS** in 2021, I directed the California Energy Commission (CEC) and requested the California Public Utilities Commission (CPUC) and the California Independent System Operator (CAISO) to work with the State's load serving entities to accelerate plans for the construction, procurement, and rapid deployment of new clean energy and storage projects to mitigate the risk of capacity shortages and increase the availability of carbon-free energy at all times of day; and

**WHEREAS** the Tracking Energy Development (TED) Task Force was established in 2021 as a joint effort of the CPUC, Governor's Office of Business and Economic Development (GO-Biz), CAISO, and CEC and has supported new energy projects under development and identified barriers and coordinated actions across entities, including interconnection, permitting, transmission and procurement; and

**WHEREAS** in Executive Order N-8-23, I established the Infrastructure Strike Team to work across State agencies to maximize federal and state funding opportunities for California innovation and infrastructure projects, including clean energy projects supported by an Energy Working Group; and

**WHEREAS** California has taken substantial steps to expedite clean energy permitting, including creating a unified "opt-in" permitting process at the CEC under AB 205 (2022) and enacting comprehensive infrastructure streamlining legislation in 2023; and

**WHEREAS** the CPUC adopted extensive transmission permitting reforms in January 2025 to streamline the CPUC's transmission permitting processes and such changes are providing a clearer, more efficient, and more consistent permitting process for large transmission projects, particularly those requiring new rights of way; and

**WHEREAS** approximately 400 projects have come online since January 1, 2020, resulting in over 27,000 megawatts (MW) nameplate of new energy resources being made available to the CAISO grid for reliability; and

**WHEREAS** California added nearly 7,000 MW of clean capacity to the grid in 2024, representing the largest single-year increase in clean energy capacity added to the grid in state history, marking a third consecutive year of unprecedented clean energy growth; and

**WHEREAS** 67 percent of the State's retail electricity sales in 2023 came from renewable and zero-carbon electricity generation — compared to just 41

percent a decade ago — marking California's ongoing progress toward a clean energy future; and

**WHEREAS** the CPUC has adopted long term resource planning portfolios in the Integrated Resource Planning proceeding that call for 50,000 MW of new nameplate capacity to come online in the next decade, averaging over 5,000 MW per year to continue to meet the State's clean energy goals and reliability needs at least cost; and

**WHEREAS** California must continue to accelerate progress on siting, permitting, financing, and constructing the transmission infrastructure needed to bring new generation and storage resources online for reliability, affordability, and decarbonization; and

**WHEREAS** the CAISO has streamlined the process of interconnecting clean energy generation with transmission; and

**WHEREAS** the CEC, CAISO and CPUC collaborate closely on resource planning and transmission planning to achieve state reliability and policy needs and coordinate the timely development of load forecasts, resource portfolios, resource interconnection reports and the needed transmission infrastructure; and

**WHEREAS** GO-Biz is developing a clean energy permitting playbook that will include smart practices guide and resource toolkit to assist local governments in permitting clean energy projects and will be released by the end of 2025; and

**WHEREAS** in 2022, Congress enacted and President Biden signed the Inflation Reduction Act (IRA), which reduces clean energy costs by providing a federal production and investment tax credits for large scale renewable and storage projects, fostering innovation, keeping electricity affordable, driving investment and creating new jobs which advance the State's pursuit of carbon-free electricity by 2045; and

**WHEREAS** in 2025, Congress enacted and President Trump signed HR 1, which aims to reverse the IRA's technological and economic progress and to impair clean energy projects, including projects already under development in California, by accelerating the expiration of the federal production and investment tax credits for clean energy projects; and

**WHEREAS** the Trump Administration, through IRS Notice 2025-42, has imposed accelerated deadlines requiring most projects above 1.5 MW to demonstrate "physical work of a significant nature" before July 4, 2026, and to be placed in service by December 31, 2027, placing billions of dollars in tax credit value at risk if California projects cannot meet these artificially and unjustifiably rushed deadlines, with consequences for ratepayers, grid reliability, project developers, and the state's climate commitments; and

**WHEREAS** streamlining new clean energy resources, and securing the benefit of federal tax credits for such resources, helps reduce the cost of electricity for Californians; and

**WHEREAS** immediate action is needed to maximize the expiring federal production and incentive tax credits for clean energy projects able to begin construction by July 2026 or come online by December 2027.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, do hereby issue the following Order to become effective immediately.

**IT IS HEREBY ORDERED THAT:**

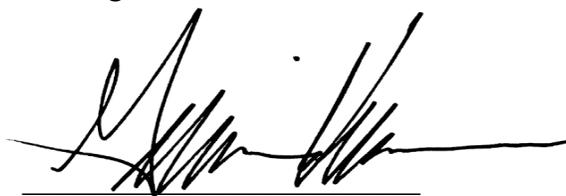
1. The Energy Working Group within the Infrastructure Strike Team is directed to immediately identify projects that (1) are eligible for tax credits under the IRA that might be lost because of the HR 1 and the Trump Administration's actions, and (2) can commence construction before July 2026 or come online by December 2027, and to support state agencies in taking all steps necessary and authorized by law to accelerate and prioritize all permitting, approval, and other agency actions that would enable and expedite the development of such projects.
2. The Energy Working Group within the Infrastructure Strike Team is directed to submit to my office, within 90 days of the date of this Order, a summary of the actions and progress taken by the Working Group and State agencies under Paragraph 1 of this Order, and actions taken by individual agencies under Paragraphs 3 through 7 of this Order, and recommendations from the Working Group for additional actions to support clean energy infrastructure project deployment.
3. The California Public Utilities Commission is requested to:
  - a. Identify critical generation and storage projects expected to come online in the next three years and request that utilities under its jurisdiction prioritize actions to enable them to interconnect.
  - b. Coordinate with utilities under its jurisdiction and the CAISO to identify priority actions to expedite transmission development that can support the connection of new resources in the next three years.
  - c. Streamline project reviews by relying on recent updates to the CPUC's transmission siting and permitting processes.
  - d. Report its actions to the Energy Working Group for inclusion in the report provided for by Paragraph 2.
4. The CAISO is requested to identify and prioritize connecting commercially ready generation and energy storage resources, consistent with the CAISO tariff, to existing transmission infrastructure to support grid reliability for the CAISO balancing area, and to report its actions to the Energy Working Group for inclusion in the report provided for by Paragraph 2.
5. The CEC is directed to review projects in the CEC's ongoing siting processes for any that may be eligible for the expiring federal tax credits, and to review the CEC's project siting processes for any additional opportunities to streamline project reviews, and to report its actions to the Energy Working Group for inclusion in the report provided for by Paragraph 2.

6. The California Natural Resources Agency (CNRA), the California Environmental Protection Agency (CalEPA), and the California State Transportation Agency (CalSTA) are directed to review and assess the project siting and permitting processes of the boards, departments and commissions within their respective agencies for any opportunities to streamline and prioritize projects that may be eligible for the expiring federal tax credits, and to report their actions to the Energy Working Group for inclusion in the report provided for by Paragraph 2.
7. GO-Biz is directed to work with local permitting authorities — through its Clean Energy Permitting Initiative — to identify additional opportunities to support streamlining efforts for acceleration of deployment of large- scale clean energy infrastructure projects and especially ones that may be eligible for the expiring federal tax credits, and to report its actions to the Energy Working Group for inclusion in the report provided for by Paragraph 2.

**I FURTHER DIRECT** that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 29th day of August 2025.



GAVIN NEWSOM  
Governor of California

**ATTEST:**

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SHIRLEY WEBER, PH. D

Secretary of State



Engineering, Operations, & Technology Committee

# Update on Colorado River Aqueduct High Voltage Transmission System – Affected Systems Mitigation Agreements

Item 6c

October 13, 2025

# Item 6c

## CRATS Affected Systems Mitigation Agreements

### Subject

Update on Colorado River Aqueduct High Voltage Transmission System – Affected Systems Mitigation Agreements

### Purpose

Provides information relevant to the Board for future approval of Affected Systems Mitigation Agreements with generation project developers

### Next Steps

Presentation by staff of Affected Systems Mitigation Agreements with specific generation project developers for Board review and approval

# CRATS Affected Systems Mitigations Agreements



## Background

- Follow-up to EO&T from May 12, 2025
- Metropolitan has received multiple requests from third-party generation developers for affected system studies
  - Close proximity to the Colorado River Aqueduct Transmission System (CRATS) but not directly connected
  - Identified by California ISO (CAISO) and Western Area Power Administration (WAPA) studies
  - Projects required to obtain each affected system's permission to connect & begin commercial operation
- Affected system studies identify potential impacts to Metropolitan's transmission & water operations
  - Highly technical & time-sensitive
  - Study work funded by interconnection customer study deposits
- Critical to meeting regulatory obligations & protecting Metropolitan's energy & water operations

# CRATS Affected Systems Mitigations Agreements



## Background

- Affected System Study Cluster 1
  - 11 projects identified by CAISO & WAPA studies
  - 4,689 megawatts (MW) of generation and/or Bulk Energy Storage (BES)
  - Includes 6,172 MW of previously approved projects
- Study initiated December 2024
  - Steady-state thermal and voltage analysis largely complete
  - Voltage transient stability analysis underway
  - Initial high-level costs to mitigate system impacts estimated at \$280 million
- Study completion estimated for 1Q 2026
  - Completion of technical studies
  - Detailed engineering cost estimates for mitigations
  - Final agreements with developers

# CRATS Affected Systems Mitigations Agreements



## Need for Bridge Agreements

- Several study participants need to secure financing & begin construction prior to completion of the studies & final agreements
- Bridge agreements allow study participants to demonstrate they have provisional agreement from Metropolitan for their project to become operational
- Metropolitan is not obligated to provide bridge agreements, but doing so supports state RPS goals and is in alignment with Metropolitan's CAP
- Also protects Metropolitan's electric and water operations by requiring a financial deposit to offset study & engineering costs

# CRATS Affected Systems Mitigations Agreements



## What's in a Bridge Agreement?

- Study participant commitment to study and mitigation efforts
  - Agreement to enter into a full mitigation agreement once the cluster study is completed
  - Credit or security commitment equal to 10% of each project's pro-rata share of mitigation costs to offset planning and engineering costs
  - Agreement to work cooperatively with Metropolitan, CAISO, and other stakeholders to establish and operate subject to interim operating measures
- Metropolitan commitment to preliminary authorization for the study participant to commence commercial operation
  - Develop interim operating mitigations with CAISO

# CRATS Affected Systems Mitigations Agreements



## Future Board Actions

- Bridge agreements under development for three (3) affected projects
  - Three-party agreements: Metropolitan, developer, and CAISO
- Staff will return with proposed bridge agreements for the Board's review & approval (November)
- Staff will return with permanent & long-term mitigation and interconnection agreements following completion of the current study in 1Q 2026

# Project Schedule – Affected System Studies Cluster 1

