

Power up: PG&E says electricity plan can boost Silicon Valley innovation and economy

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PG&E is pushing forward with quests to help bolster Silicon Valley's economy and innovation future, including major South Bay and East Bay electricity projects, utility officials have said.

Executives with PG&E appeared at a power breakfast in downtown San Jose that was sponsored by law firm Hoge Fenton, using the occasion to assure the [business leaders](#) who had gathered for the event that the company was doing all it could to improve the reliability of its services.

"We have a long way to go but we are working very diligently to deliver reliable energy," Teresa Alvarado, PG&E's South Bay & Central Coast regional vice president, said at the Hoge Fenton event, which was held at the Silicon Valley Capital Club on East San Fernando Street in downtown San Jose.

Oakland-based PG&E also detailed during the event two mega projects that are being crafted by a Midwest power company to bring big chunks of electricity into north San Jose and downtown San Jose.

PG&E hopes the projects will help ensure that a lack of reliable electricity doesn't hobble [economic expansion](#) in these sections of Silicon Valley.

"We are trying to get ahead of the load growth in this area," said James Tuccillo, a PG&E distribution engineering manager who was part of a utility company panel at the Hoge Fenton event.

LS Power Grid California, an affiliate of Missouri-based LS Power, is leading the efforts to develop two major new electricity facilities in the Bay Area.

Here are the details of each [project](#), according to LS Power Grid California:

- Metcalf Substation to San Jose B substation. This project would connect a new terminal near the existing Metcalf station in south

San Jose to a new terminal in downtown San Jose near the corner of Coleman Avenue and Santa Teresa Street. The project includes underground transmission lines connecting the two terminals as well as the existing electrical grid. LS calls this the Power Santa Clara Valley Project.

- Newark Substation to Northern Receiving Station. This project would connect a new terminal near the PG&E Newark Substation in Fremont to Silicon Valley Power's Northern Receiving Station in Santa Clara via a new terminal near the Regional Wastewater Facility in Alviso. The project includes mostly underground transmission lines connecting the terminals to each other and the existing electrical grid. LS calls this the Power the South Bay Project.

Both projects should begin construction in early 2026 and go into service in 2028.

The proposals are being touted at a time when PG&E is under fire for skyrocketing monthly utility bills that have soared far faster than the overall inflation rate in the Bay Area as measured by the costly region's consumer price index.

Over the one-year period that ended in January 2024, combined bills for a typical residential customer who receives both electricity and gas services from PG&E averaged roughly \$294.50 a month.

That was a 22.3% increase over the average monthly bill in January 2023. In sharp contrast, the Bay Area inflation rate rose 2.6% during 2023.

PG&E also remains under scrutiny in the wake of a decade of PG&E-sparked disasters that included a fatal gas explosion that destroyed a San Bruno neighborhood as well as a string of infernos that torched huge

swaths of land in the North Bay wine country and other sections of Northern California.

"We all know about the disastrous wildfires caused by PG&E equipment torching vegetation that is very dry," Alvarado said during the event.

PG&E officials during the event, however, stated that in 2023 the utility reduced its wildfire risk by 96%.

The efforts by PG&E to support major energy projects in the region might be an instance of the utility scrambling to ensure that it's poised to deliver reliable power into Silicon Valley, in the view of Kelly Snider, a professor in San Jose State University's Department of Urban and Regional Planning who was in attendance at the Hoge Fenton event.

"PG&E is acting defensively to protect their future profits," Snider said in an interview with this news organization. "PG&E wants to control the power supply as a monopoly. PG&E is putting itself in position to profit and capitalize on the growth that is going to happen anyway. But there are alternatives such as microgrids."

Others who attended, however, suggested that it makes sense for PG&E to ensure it's prepared for Silicon Valley's future needs. That was the view of Sean Cottle, a Hoge Fenton attorney and real estate expert with the law firm.

"PG&E is trying to get out in front of what is the demand," Cottle said in an interview with this news organization after the event. "They are asking business people to tell PG&E what they need."

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