

Agenda Report

July 21, 2025

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SOUTHERN CALIFORNIA EDISON TO PERFORM SUBSTATION UPGRADE WORK FOR AN AMOUNT NOT TO EXCEED \$4,551,666, AND AMEND THE FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE TRANSMISSION SYSTEM ENHANCEMENTS PROJECT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to the State CEQA Guidelines Sections 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction) and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances;
2. Authorize the City Manager to enter into an agreement, without competitive bidding pursuant to City Charter Section 1002(C), contracts for labor, materials, supplies or services available from only one vendor, with Southern California Edison ("SCE") to perform necessary substation upgrades for the Pasadena Water and Power Department ("PWP"), in an amount not-to-exceed \$4,551,666 which includes the base contract amount of \$4,137,878 and a contingency of \$413,788 to provide for any necessary change orders;
3. Grant the recommended contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served;
4. Authorize the City Manager to approve no-cost amendments to the subject contract including durational extensions; and

5. Amend the Fiscal Year ("FY") 2026 Capital Improvement Program Budget by appropriating \$2,698,666 from the Power Capital Fund to the Transmission System Enhancements (03195) project.

BACKGROUND:

The City of Pasadena ("City") imports most of its electricity requirements through its transmission interconnection with the California Independent System Operator ("CAISO") through SCE, at T. M. Goodrich ("TMG") Receiving Station. Power is delivered to PWP's TMG Receiving Station through two 220 kilovolts ("kV") transmission lines connected to SCE's Mesa and Gould Substations. The interconnection with SCE is governed by Interconnection Agreement No. 20,398, executed on August 5, 2010, which allows the delivery of purchased and contract power from various off-site locations to the City. The equipment at TMG Receiving Station is owned by PWP and operated by SCE in accordance with the Interconnection Agreement.

There is a need to upgrade aging equipment associated with the 220kV Gould – TMG transmission line. The proposed work includes: 1.) The replacement of protection relays, communication, and monitoring devices located at both SCE's Gould Substation and PWP's TMG Receiving Station and 2.) The replacement of an aging 220kV disconnect switch at TMG Receiving Station. This switch is critical for safely isolating parts of the system during maintenance or emergencies. Replacing this equipment will enhance service reliability and reduce the risk of service interruptions.

Due to their operational responsibilities and need to ensure compatibility with existing infrastructure, SCE is uniquely qualified to perform the upgrade work at TMG Receiving Station. SCE previously completed similar protection upgrade work for PWP under the same Interconnection Agreement referenced above, associated with Contract No. 31518. That project was completed at an actual cost of approximately \$580,000.

In accordance with the Interconnection Agreement, the City is responsible for compensating SCE for the actual cost of work performed at TMG Receiving Station.

City staff have negotiated project costs with SCE to provide engineering, procurement, and construction services for the required upgrades. Staff recommends that the City Council authorize the City Manager to enter into an agreement with SCE to complete the required work at TMG Receiving Station for an amount not-to-exceed \$4,551,666, which includes the base contract amount of \$4,137,878 and a contingency of \$413,788.

Approving this agreement is in the City's best interest, as it ensures that all upgrades are completed in a manner consistent with both SCE's and City's requirements. This work is essential to maintaining the safe and reliable operation of the interconnection and continued delivery of electrical service to Pasadena customers.

COUNCIL POLICY CONSIDERATION:

The proposed agreement is consistent with the City Council's Strategic Planning Goals to: (i) Improve, maintain, and enhance public facilities and infrastructure; and (ii) Ensure public safety.

ENVIRONMENTAL ANALYSIS:

The proposed agreement is exempt from CEQA pursuant to the State CEQA Guidelines Section 15302 (Replacement or Reconstruction), which exempts the replacement or reconstruction of existing structures and facilities (including utility systems and facilities) involving negligible or no expansion of capacity. The proposed work will improve electric reliability and safety of the transmission system and will not increase the capacity of the facility, nor result in the new equipment being in a new location.

The proposed agreement is also exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities). Class 1 exempts from environmental review “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.” The proposed project consists of a minor alteration of the existing TMG facility to replace the protection relays, telecommunication and monitoring equipment, and replacement of the disconnect switch. As noted above the project would not increase the capacity of the facility.

There are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances.

FISCAL IMPACT:

The total cost of this agreement, including contingency, is \$4,551,666. Approximately \$1,853,000 of funding for this action will be addressed by the utilization of existing budgeted appropriations in the Transmission System Enhancements (03195) CIP budget. The remaining funding will be addressed by amending the FY 2026 CIP budget and appropriating \$2,698,666 from the Power Capital Fund (411) to the project and increasing the total estimated project cost by a like amount. There is sufficient fund balance in the Power Capital Fund to support the proposed increase. There is no impact to the General Fund.

The following tables represent a project summary and a funding summary.

Table I: Project Summary

Base Contract	\$4,137,878
Contract Contingency	\$413,788
Total Fiscal Impact	\$4,551,666

Table II: Funding Summary

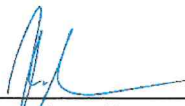
CIP 03195 Existing Appropriations	\$1,853,000
Proposed Budget Amendment – Power Capital Fund	\$2,698,666
Total Fiscal Impact	\$4,551,666

Respectfully submitted,



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