



Preliminary California ISO Summer 2006 Loads and Resources Outlook

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Summer 2005 Review

- Weather conditions were mild during 2005 peak load conditions, however the CAISO had an all time peak, but below the most likely forecast.
- Event in SP26 on July 21, 2005, emergency declared, imports at Palo Verde had to be curtailed due to low voltage, AC cycling called upon, generator outages higher than forecast.
- Comparison of actual 2005 system conditions to ISO 2005 forecast indicate the forecast was within an appropriate temperature adjusted range.



Summer 2006 Outlook

Generation Addition & Retirements

SP26 Dependable Generation Additions (non-wind)	≈ 1,860 MW
SP26 Known Retirements	<u>1,580 MW</u>
Net SP26 Generation Increase (non-wind)	280 MW

NP26 Dependable Generation Additions (non-wind)	≈ 364 MW
NP26 Known Retirements	<u>215 MW</u>
Net NP26 Generation Increase (non-wind)	149 MW

SP26 Wind Additions	46 MW
NP26 Wind Additions	270 MW

Net control area generation additions over the next year will not keep pace with anticipated load growth.



Summer 2006 Control Area Forecast

		ISO 2005 Summer Peak Forecast Aug 2005	ISO 2006 Summer Peak Forecast	Reason for Change/Update
	ISO Control Area Generation Capacity (MW)	43,809	43,960	Generation Additions Generation Retirements Reduced Forced Outage Estimate MID/TID Control Area Change
	ISO Control Area Net Imports (MW)	9,000	8,590	Transmission Upgrades (Palo Verde Ties) MID/TID Control Area Change
	Total ISO Control Area Supply (MW)	52,809	52,550	
Most Likely	ISO Control Area Demand Forecast (MW)	46,668	46,332	2% growth over 2005 forecast MID/TID Control Area Change
	Total Reserve Capacity (MW)	6,141	6,218	
	Reserve Margin *	13.2%	13.4%	
Adverse	ISO Control Area Demand Forecast (MW)	50,592	48,996	Adverse Events MID/TID Control Area Change
	Total Reserve Capacity (MW)	2,217	3,554	
	Reserve Margin *	4.4%	7.3%	



Summer 2006 SP26 Forecast

		ISO 2005 SP26 Summer Peak Forecast Aug 2005	ISO 2006 SP26 Summer Peak Forecast	Reason for Change/Update
SP26 Generation Capacity (MW)		19,168	19,788	Generation Additions Generation Retirements Reduced Forced Outage Estimate
SP26 Net Imports (MW)		9,700	10,100	Transmission Upgrades (Palo Verde Ties)
Total ISO SP26 Supply (MW)		28,868	29,888	Assumes 1,250 MW of Forced Outages
Most Likely	SP26 Demand Forecast (MW)	27,080	27,621	2% growth over 2005 forecast
	SP26 Total Reserve Capacity (MW)	1,788	2,267	
	Reserve Margin *	6.6%	8.2%	
Adverse	SP26 Demand Forecast (MW)	29,080	29,209	Adverse Events
	SP26 Total Reserve Capacity (MW)	-212	679	
	Reserve Margin *	-0.7%	2.3%	



Summer 2006 Outlook Summary

- Preliminary assessments indicate:
 - Control Area reserve margins are adequate for “most likely” (13.4%) and “adverse” (7.3%) forecasted conditions.
 - SP26 reserve margins are slim but adequate for “most likely” (8.2%) forecasted conditions and inadequate for “adverse” (2.3%) forecasted conditions.
- Assessment’s representation based upon physically installed capacity and estimate of import capability.
- Net generation additions are less than load growth, however, import capability will increase.
- Slight increase in available demand response and interruptible programs are anticipated in 2006.



Next Steps

- There are differences between the ISO and CEC forecasts. ISO will continue to work with the CEC to share information, refine and compare forecasts.
- Continue to act on and evaluate the potential for additional generation retirements or other changes that would impact forecasts, SP26 has little tolerance.
- The CAISO will update the Summer 2006 Loads and Resources Assessment in March 2006.



Questions?