



# THE ROLE OF THE CALIFORNIA ISO

**CALIFORNIA'S ELECTRICITY INDUSTRY INCLUDES** traditional utilities, private power plant owners, and state and federal agencies, each of which plays a unique role. The California ISO is charged with ensuring the safe and reliable transportation of electricity on the "electron superhighway" we know as the power grid. As the impartial grid operator, it has no financial interest in any market segment and makes sure diverse resources have equal access to the transmission network and markets used to fine-tune the flow of electricity.

Another **central function of the California ISO** is to **provide transparent information** about the state of the system and prices.



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**THE CALIFORNIA ISO CONTROL AREA** includes more than 80 percent of the state's total electrical load and serves more than 30 million of its residents. More than one hundred electric transmission companies and generators participate in the ISO markets, which are used to allocate transmission space, maintain operating reserves and match supply with demand.

Another central function of the California ISO is to provide transparent information about the state of the system and prices. This information helps market participants assess the economics and manage the risks of wholesale power transactions and supply options. Timely and accurate information about wholesale markets is the centerpiece of an effective and competitive marketplace. At the same time, economists within the ISO Department of Market Monitoring keep a close eye on activity within the ISO markets, monitoring wholesale prices and policing potential instances of market power abuse.

For consumers, the **California ISO ensures electrical demand is met around-the-clock**—and that reasonable wholesale costs are fostered. For energy companies, the **California ISO ensures equal access to the grid and conducts open and fair markets** used as a last resort to **balance the system.**