

# Memorandum

**To:** ISO Board of Governors  
**From:** Elliot Mainzer, President & Chief Executive Officer  
**Date:** September 20, 2021  
**Re:** CEO report

---

*This memorandum does not require Board action.*

## INTRODUCTION

In this report, I provide updates on summer reliability, impacts of fires on the ISO and EIM, the October 13 EDAM Forum, sufficiency test enhancements, wheel-throughs, and new VP of Stakeholder Engagement and Customer Experience.

## SUMMER RELIABILITY AND THE GOVERNOR'S EMERGENCY PROCLAMATION

Other than the dangerous wildfires which continue to burn across the region, conditions on the electrical grid have been relatively quiet since mid-July. Using the ISO's emergency capacity procurement mechanism, we were able to secure short-term capacity contracts with a modest amount of generating resources—624 MW in July, 650 MW in August, and approximately 400 MW for September. But as I said in late July after Governor Newsom issued his emergency proclamation to expedite clean energy projects and relieve stress on the grid during extreme events, changing conditions require extraordinary action. The prolonged drought, more extreme weather, wildfires, and diminished hydro have increased reliability risks this summer and heading into the fall.

The Governor's proclamation enhances our ability to address power deficits through additional conservation measures and by providing access to existing back-up generation on a short-term basis. If needed, this generation will be dispatched in a loading order that will attempt to minimize additional pollution and emissions. Access to this back-up generation will support reliability and mitigate costs for consumers in California and other states in the Western electricity market.

We are committed to working with state agencies and stakeholders across the West to accelerate the interconnection of clean capacity resources to help address strains on the system. We are also bringing greater focus and urgency to our transmission planning efforts. As I testified before the Senate Committee on Energy, Utilities and Communications last month, we will not be able to meet our clean energy objectives in a reliable fashion

without having the transmission capacity to send power where it is needed and displace older generating resources.

## **STATUS OF FIRE IMPACTS ON BULK ELECTRIC SYSTEM**

No one is immune anymore from the impact of wildfires throughout the parched West, including the ISO and our partners in the region. In July, the Bootleg Fire in Southern Oregon tripped several lines in the region, reducing transfer capability between California and Oregon. The Pine Pass Fire in British Columbia tripped lines there that resulted in loss of generation resources in British Columbia and reduced capacity in the Pacific Northwest.

The South Fire in Southern California tripped multiple transmission lines, resulting in reduced transfer capability into the Los Angeles area. And in Northern California, the Dixie Fire created an electrical island in the local area of Caribou in Plumas County, resulting in the ISO being unable to access any excess generation from Caribou or serve that area.

The ISO has new processes and tools established this summer to better monitor the fire threat in the Western Interconnection enabling greater situational awareness and coordination among System Operators. With all these challenges, we have not needed to shed load so far this summer, although we did come close during the weekend of July 9 due to extreme heat and the Bootleg Fire's impact on imports.

## **EXTENDED DAY- AHEAD MARKET FORUM**

With the end of summer approaching and ever-growing interest in regional market coordination, the ISO is reinitiating focused work on an enhanced day-ahead market. To that end, we will host a virtual stakeholder event, The Extended Day-Ahead Market (EDAM) Forum, on Oct. 13<sup>th</sup> from 8:30 am – 12:30 pm PST. The EDAM Forum will bring together senior utility executives, policy makers and stakeholders from across the West to discuss key design principles, governance issues and other success factors associated with a regional day-ahead market and initiate the stakeholder process for a revitalized EDAM initiative.

I am looking forward to engaging with our partners and stakeholders at this upcoming forum and exploring the evolution of the energy market in a way that will build on the success of the Western EIM and optimize transmission connectivity and resource diversity across the widest geographical footprint possible.

## **SUFFICIENCY TEST ENHANCEMENTS**

During a review of our resource sufficiency evaluation process after the challenges of last summer, we heard from our partners and stakeholders that they wanted an improved and more transparent method of evaluating the resource sufficiency of market participants.

As we began our review, it was essential for the ISO to acknowledge that in the heat wave of August 2020, it did not pass components of the resource sufficiency evaluation for several intervals. That raised concerns for us and for the rest of the stakeholder community.

Working with our stakeholders, we crafted a proposal that clarified the rules and practices associated with the sufficiency test. Phase 1 is focused on improvements to the accuracy and transparency of the resource sufficiency evaluation; a later phase 2 will focus on re-evaluating the consequences for failure of an EIM entity to pass this evaluation.

Our stakeholders have also asked for additional reporting and data on the performance and accuracy of the evaluation because that information will help EIM entities understand performance, accuracy and results. The proposal moves the reporting role from the ISO to the Department of Market Monitoring (DMM) which monitors the efficiency and effectiveness of the ISO market. The DMM would provide quarterly EIM performance briefings to the EIM Governing Body.

When this process is complete, I believe we will have a more dependable resource sufficiency evaluation. The EIM will also be stronger overall, allowing market participants to continue capitalizing on the benefits that a regional real-time market has provided and will in the future.

## **UPDATE ON WHEEL THROUGHGS**

The ISO has launched the external load forward scheduling rights process initiative to develop a long-term, holistic, framework for establishing scheduling priorities in the ISO market. The initiative also evaluates enhancements to the current scheduling priorities framework that can be implemented by next summer. This is a very important initiative, not only for the ISO and our ability to reliably serve native load, but for regional entities that depend on the ISO transmission system to wheel or export generation to reliably serve their load.

Phase 1 of the initiative will focus on near-term enhancements that can be in place by next summer. This phase includes a number of transparency enhancements to improve access to data that can inform business decisions on wheeling through the ISO's system and inform potential curtailment risks. Phase 1 also includes a number of stakeholder-suggested enhancements that improve upon the current scheduling priorities framework.

Phase 2 focuses on a long-term, holistic, durable, framework for establishing scheduling priorities in the market and bridging key seams issues between the ISO market paradigm and the Open Access Transmission Tariff paradigm under which the rest of the West operates. Based on stakeholder feedback, the ISO has proposed development of a forward transmission reservation process for establishing scheduling priorities in the ISO market.

The ISO would calculate transmission capacity needed to serve native load and make the rest available for reservation by other transactions to establish scheduling priority equal to ISO load across different timeframes. The ISO would also develop a process under which certain requests for transmission service can be studied and drive upgrades across the system to secure the higher scheduling priority. The ISO is creating collaborative

stakeholder working groups to evaluate key elements and leverage the expertise of our regional partners, build consensus, and develop this framework further.

## **NEW VICE PRESIDENT OF STAKEHOLDER ENGAGEMENT AND CUSTOMER EXPERIENCE**

Joanne Serina, who has served as the California Independent System Operator's executive director of Customer Service and Stakeholder Affairs since 2015, has been elevated to the newly created position of vice president of Stakeholder Engagement and Customer Experience. The move is designed to further strengthen stakeholder engagement and customer service at the ISO and enable Stacey Crowley to focus her efforts on federal and state affairs and communications under the new title of Vice President of External Affairs.

Crowley will remain responsible for state, regional and federal government affairs, corporate communications and public relations.

Serina will oversee all aspects of customer service, customer onboarding, readiness and training. She will also build on the ISO's tradition of highly inclusive engagement with stakeholders on market design and policy development.

Serina joined the ISO in 2006, and during her tenure has held various senior leadership roles including positions within the Operations Division responsible for System Operations training and certification. She was also a senior program manager during implementation of the California ISO's market redesign initiative.