

News Release

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California ISO advances package of summer reliability measures

Initiative sets in motion market and grid changes to help avert outages in 2021

FOLSOM, Calif. – The California Independent System Operator (ISO) has taken an important step forward on a suite of enhancements to help ensure efficient market operations and grid reliability in preparation for this summer’s hot weather.

The ISO’s Board of Governors today approved market and operational refinements to prepare for possible prolonged heat events like those that led to rotating power outages last summer. The enhancements, shaped by stakeholder input gathered over the past three months, are on track to be in place by summer 2021.

“These enhancements were developed in close coordination with state agencies and stakeholders throughout California and the West,” said Elliot Mainzer, ISO president and CEO. “The enhancements are designed to better equip our energy markets and power grid for extreme weather, while complementing the efforts of California’s regulatory authorities and utilities to develop new clean energy resources. We are committed to strong collaboration with our many state and regional partners to achieve reliable system operations this summer and beyond.”

Policy changes approved by the ISO Board of Governors at its [meeting](#) are designed to:

- Strengthen compensation incentives for hourly imports to deliver during tight supply conditions;
- Provide more accurate price signals reflective of tight supply conditions and dispatch of emergency demand response;
- Establish an interim minimum state of charge requirement to ensure resource adequacy storage resources have sufficient energy available on the tightest supply days;
- Ensure sufficient capacity is procured in advance of planned outages; and
- Streamline the grid interconnection process to expedite new supply.

The Board action advanced two ISO stakeholder initiatives: [Market Enhancements for Summer 2021 Readiness](#) and Phase 1 of the [Resource Adequacy Enhancements](#).

A final set of improvements for managing export and wheel-through scheduling priorities -- part of the Market Enhancements for Summer 2021 Readiness initiative -- will be considered by the EIM Governing Body for its advisory consent, and the Board of Governors for its approval, during special meetings planned for April 2021. These



enhancements are intended to improve reliability while respecting transmission open access principles.

Earlier this month, the ISO's Western Energy Imbalance Market (EIM) Governing Body [approved enhancements](#) that fall within its scope of authority. These changes will help ensure balancing authority areas participate in the Western EIM with sufficient resources and improve the real-time market's operational modeling. The enhancements were then approved by the Board of Governors as part of the consent agenda at their meeting today.

The ISO anticipates close to 1,500 megawatts (MW) of new storage available for dispatch by this summer, bringing total capacity to nearly 2,000 MW. The ISO is upgrading capabilities to manage these new resources and building a suite of tools giving grid operators visibility into the storage fleet. The ISO is also enhancing rules to ensure that storage is sufficiently charged when providing ancillary services.

In another move to shore up summer grid reliability, the Board today [designated](#) the Kingsburg Cogeneration Plant as a reliability must-run resource (RMR) to comply with the North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council's (WECC) reliability standards. The ISO's recent supply analysis shows that without the 34.5-MW plant, the ISO may be unable to maintain system-wide reliability, especially later in the evening when solar resources are no longer available but demand remains high.

The Board previously [designated](#) the Midway Sunset Cogeneration power plant as a reliability must-run resource, ensuring its availability this summer.

All the changes adopted by the Board reflect the ISO's efforts to focus on the most impactful changes in advance of the summer months with the least amount of burden to market participants. The refinements chiefly result from findings and recommendations of the [joint Final Root Cause Analysis](#), using the events of summer 2020 to identify areas for improvement.

Looking forward, the ISO is about to launch its [Energy Storage Enhancements Initiative](#), with an issue paper scheduled to be posted in April, kicking off the stakeholder initiative process with the goal of upgrading optimization, dispatch, and settlement of energy storage.

For more information about the ISO's efforts to prepare for heat waves, visit the [2021 Summer Readiness](#) webpage.

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The California Independent System Operator (ISO) is a nonprofit public benefit corporation dedicated, with its partners, to continuous improvement and secure operation of a reliable grid operated for the benefit of consumers. It provides comprehensive grid planning, open and nondiscriminatory access to one of the largest networks of high-voltage transmission power lines in the world, and operates a \$9 billion competitive electricity market. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help provide a sustainable energy future efficiently and cleanly.

The Western Energy Imbalance Market (EIM) Governing Body is the governing authority designed by regional stakeholders with delegated authority from the ISO Board of Governors to resolve rules specific to participation in the Western EIM.