

News Release

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California ISO prepares for surge in grid-scale energy storage

Stakeholder initiative will drive cutting edge solutions for storage integration

FOLSOM, Calif. –The California Independent System Operator (ISO) today kicked off an initiative to explore market reforms to embrace a historic tide of commercial-scale storage technology onto its system in the next few years, laying the foundation for a global model to support the transition to zero-carbon power grids.

“California’s drive for decarbonization has placed the ISO on the leading edge of the energy storage revolution,” said Elliot Mainzer, ISO president and CEO. “Beginning with 4-hour lithium-ion batteries and ultimately expanding into longer durations and new chemistries, energy storage is going to play a critical role in maintaining reliability and providing essential grid services. We are excited to work with our industry partners to further evolve our market rules and fully unlock the value of energy storage technologies.”

The ISO is projecting a four-fold increase in the amount of battery storage on its system from late last year to this summer. At the end of 2020, the ISO had about 250 megawatts (MW) of storage resources -- primarily 4-hour batteries -- connected to the grid. It currently has about 500 MW on its system, and expects to have a total of 2,000 MW by August 1. This rapid pace of growth is expected to continue in the years ahead.

Unlocking the full value of energy storage resources requires changes to the ISO market to better align price signals and cost recovery mechanisms with the reliability and operational needs of the grid. The ISO intends to leverage expertise from across the storage industry and to share its findings through such initiatives as the [Global Power System Transformation Consortium](#) that was formally launched last week with the US Department of Energy and utilities around the world.

The ISO published an [issue paper](#) today on possible energy storage enhancements, outlining the current challenges, and seeking input on new market mechanisms to fully integrate storage and maximize its use on California’s electricity system.

The issue paper effectively launches the Energy Storage Enhancements (ESE) stakeholder initiative process, which will invite feedback from all industry sectors, particularly the storage resource community, on the market redesigns and their effects.



A stakeholder call is scheduled May 5 to respond to questions and gather comments on the issue paper and discuss next steps in the process. Follow developments on the process on the [ESE initiative 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.