

**NEWS RELEASE**

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## California ISO Planning for Boom in Renewable Power

*Four-Part Effort Supporting California's Renewable Portfolio Standard*

(Folsom, CA) With thousands of megawatts in new wind, geothermal and solar generation due on line in California over the next five years to meet California's renewable generation targets, the California Independent System Operator Corporation (California ISO) is working on a comprehensive strategy to integrate these renewable resources into the wholesale power grid.

Today, California ISO staff presented a comprehensive renewable resource integration plan to the Board of Governors and encouraged the public to provide comments. Some of the elements of the plan will need Board approval down the line. More information about the [renewable plan](#) is available on the California ISO website.

Current California state law and regulation requires investor-owned utilities to obtain 20 percent of the power delivered to their customers from renewable resources by 2010. By 2020, 33 percent of their deliveries must be renewable power. "These are important and ambitious goals, not only in terms of developing renewable resources, but also in terms of integrating these renewable power plants into the California ISO's planning and operations," said California ISO President and CEO Yakout Mansour. "We fully support the State's renewable generation goals and we want to make sure we are ready to put that renewable power to good use."

Renewable energy resources, like wind, solar and geothermal, produce less pollution than fossil-fueled power plants and provide other benefits as well. However, these technologies also pose unique challenges that need to be addressed. For instance, wind and solar generation fluctuate with the weather and the season. Also, renewable power plants are typically located far from populated areas, so they may require new transmission lines to deliver their output to consumers.

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Because of these issues, the California ISO developed a four-part program to make sure the grid is ready for the coming boom in renewable generation. The four parts of the plan are: Transmission Upgrades, Market Integration, Operations Tools, and updating the Participating Intermittent Resource Program (PIRP).

For instance, the California ISO and others in the industry need to consider the growth in renewable generation as part of planning and developing transmission projects. Currently, the California ISO evaluates a proposed transmission project to determine if it is needed for reliability or if it provides significant economic benefit. The California ISO is considering asking the Federal Energy Regulatory Commission (FERC) to create a third category of transmission project that would facilitate development of transmission projects that increase access to renewable resource areas.

Market integration refers to removing undue financial disincentives that might keep renewable energy projects from being built. Because production from wind and solar generators can be sporadic, grid operators need the best possible forecasting and management tools to efficiently integrate renewable resources into California ISO operations.

Finally, the PIRP program was implemented in 2004 to remove barriers and encourage renewable generators to participate in the ISO market structure. The program has been successful, but now, two years after its inception, the California ISO is exploring some program enhancements that will help now, and in the future, under the Market Redesign and Technology Upgrade (MRTU) program.

“We are in the process of developing the infrastructure to bring on line the forecasted renewable resources,” said California ISO Vice President of Operations Jim Detmers. “We are confident that we will be able to incorporate all the green power we know is coming and put it to work for the people of California.”

The California ISO is a not-for-profit public benefit corporation charged with managing the flow of electricity along California’s open-market wholesale power grid. The mission of the California ISO is to safeguard the reliable delivery of electricity, and ensure equal access to 25,000 circuit miles of “electron highway.” As the impartial operator of the wholesale power grid in the state, the California ISO conducts a small portion of the bulk power markets. These markets are used to allocate space on the transmission lines, maintain operating reserves and match supply with demand in real time.

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