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ISO Board approves 2018-19 Transmission Plan

Board also approves enhancements to CPM and RMR procurement provisions

FOLSOM, Calif. – The California Independent System Operator (ISO) Board of Governors yesterday approved the 2018-2019 Transmission Plan, and measures to allow the grid operator to procure additional energy during times of special reliability needs.

The transmission plan identifies 13 new transmission projects at a total anticipated cost of \$644.4 million. The plan, developed in coordination with the California Energy Commission, California Public Utilities Commission, and stakeholders, is an annual assessment of transmission needs that identifies upgrades required to support electric system reliability for the next 10 years.

The approved projects are located within the Pacific Gas & Electric (PG&E) service territory. Eleven of them are reliability-driven, two of which are eligible for competitive solicitation. The remaining two projects are economic-driven, as one project will reduce congestion in a generation constrained area, and the other will eliminate the need for local capacity requirements in another locally constrained area.

The plan also recommends cancelling six transmission projects within the PG&E service territory that were left on hold during the 2017-2018 planning cycle, avoiding \$440 million to \$550 million in future costs.

View the <u>2018-2019 Transmission Plan</u> on the ISO's <u>transmission planning process</u> webpage.

In a separate item, the Board also approved a proposal aimed at enhancing its reliability must-run (RMR) and capacity procurement mechanism (CPM) programs, which allow the ISO to procure additional energy or keep resources online that would otherwise be retired or taken out of service.

The enhancements address stakeholder concerns that current procurement provisions are outdated and unclear. The significant amounts of renewable energy added to the market has created financial stress on many conventional power plants, some of which are important for grid reliability. The ISO enhanced reliability procurement mechanisms provide a backstop to ensure critical resources needed for the grid can remain in operation and financially viable.



Click <u>here</u> to view the RMR and CPM proposal. Click <u>here</u> to see the Board meeting agenda and related documents.

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