



## NEWS RELEASE

**FOR IMMEDIATE RELEASE**

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## ISO Board Approves Generator Maintenance Program

*Transition agreement with CERS announced at Board meeting*

The California Independent System Operator is on the path to assume a new role as the watchdog for power plant maintenance and availability in California. Under a plan approved today by its Board of Governors, the ISO will establish strict maintenance standards and an enforcement program to make sure owners keep their power plants properly maintained and able to deliver a reliable supply of energy.

Today's Board action gives ISO staff the approval to file tariff amendments with the Federal Energy Regulatory Commission (FERC) in anticipation of beginning the program by Spring of 2002.

When different energy companies purchased power plants from California's three private utilities as electrical restructuring unfolded five years ago, there was no way to ensure those plants would be properly maintained. The ISO's plan establishes a benchmark for each generating unit based on its historical availability. Proposed maintenance standards are designed to keep the plant available as much as possible and the ISO is given the authority to conduct both random and annually scheduled inspections to make sure the maintenance routines are being followed.

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“If you bought a used car, you’d sure like to get the maintenance records and the owners manual with it,” said Phil Pettingill, the manager of transmission facilities for the ISO. “In this case, we’re saying to the power plant owners, show us the previous owners maintenance and availability records, and show us what you’re doing now to keep this plant operating to industry standards.”

The ISO will conduct audits and plant inspections to ensure compliance or to investigate why performance targets are not being met. If the ISO finds “questionable practices” at a specific unit, the problems and issues will be reported to the appropriate oversight agencies.

“There used to be three major owners of power plants in California. Now there are many more,” said Pettingill. “As FERC has indicated in recent orders, the ISO needs this kind of authority to make sure those owners are taking proper care of the plants we all rely on to produce power.”

### **CERS Transitions out of out-of-market transactions**

The California ISO Board of Governors was also briefed about an agreement reached today between the ISO and the Department of Water Resources, California Energy Resources Scheduling Division. As part of a transition into compliance with the November 7 FERC order, the ISO will no longer be required to provide non-public data to CERS. All such data transfers will end by midnight, Friday November 30.

CERS has further agreed to the ISO’s payment schedule for the net-short bill due on behalf of investor owned utilities. CERS has agreed to make the first payment on December 6. CERS has also agreed that by December 6, the ISO rather than CERS will conduct any out-of-market transactions that may be needed to provide balancing energy to the grid.

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