



California ISO
Shaping a Renewed Future

Decision on Regulation Energy Management

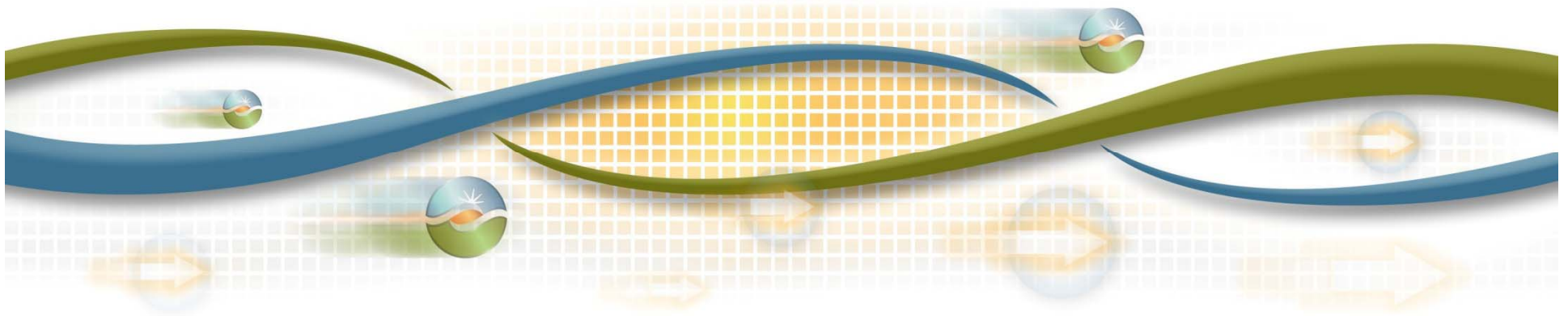
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Board of Governors Meeting

General Session

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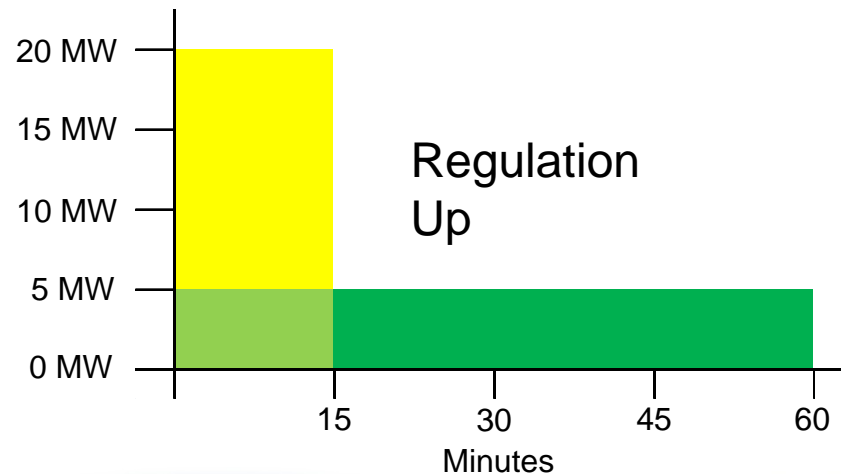
Regulation energy management enables new storage technologies to provide regulation service.


- Due to the limited energy characteristics of storage resources, they are unable to participate in the day-ahead regulation market at full capacity.

Example: 20 MW limited energy resource

Green – current requirement

Yellow – regulation energy management





Proposal addresses stakeholder concerns from prior and current stakeholder process.

- Settles limited energy resources the same as conventional resources providing regulation.
- Eligibility restricted to limited energy resources.
- Pro-rata disqualification in event that real-time energy market cannot meet energy offset.
- No pay applied when resource does not respond to regulation signal.
- Ongoing monitoring of operational performance.



Most stakeholders support or conditionally support the proposal.

- Strong support from storage companies.
- Others conditionally support the proposal subject to review based on actual operating experience.
- PG&E argued for deferring the proposal to allow for more analysis.

Management requests Board approval for regulation energy management.

- Proposal provides reasonable starting point to allow the ISO to gain experience with limited energy resources.
- Safeguards are adequate considering low projected volumes of limited energy resources.
- Consistent with future software needs.
- Meets goals of comparable treatment of non-generation resources.