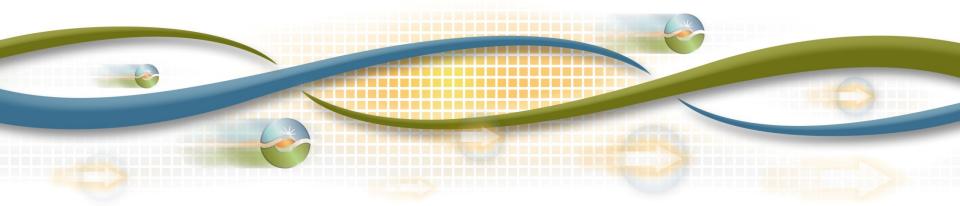


Briefing on Summer 2013 Outlook & Update on SONGS Mitigation Planning

Neil Millar Executive Director, Infrastructure Development

Board of Governors Meeting General Session March 20-21, 2013

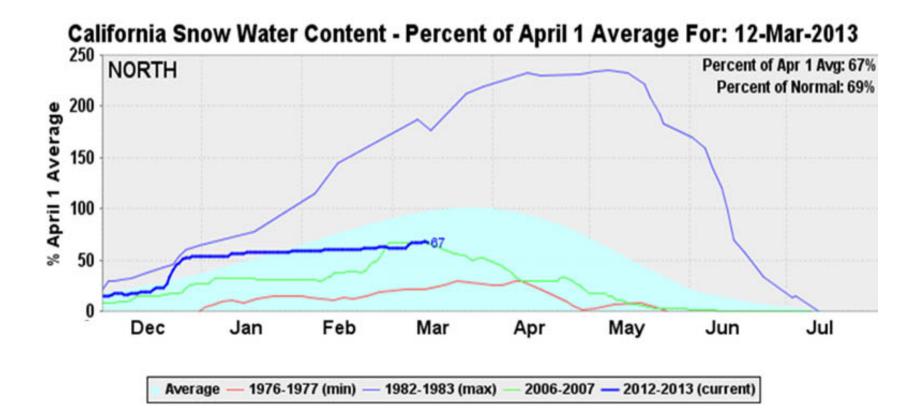


2013 Summer Assessment

- Summer assessment deferred to May Board meeting to incorporate evolving hydro situation
- Preliminary results indicate ample summer supply margins for the overall system and in northern California
- Summer supply margins over the <u>entire</u> southern California region are also ample but reliability concerns remain for South Orange County and San Diego due to continued outage of San Onofre Nuclear Generating Station

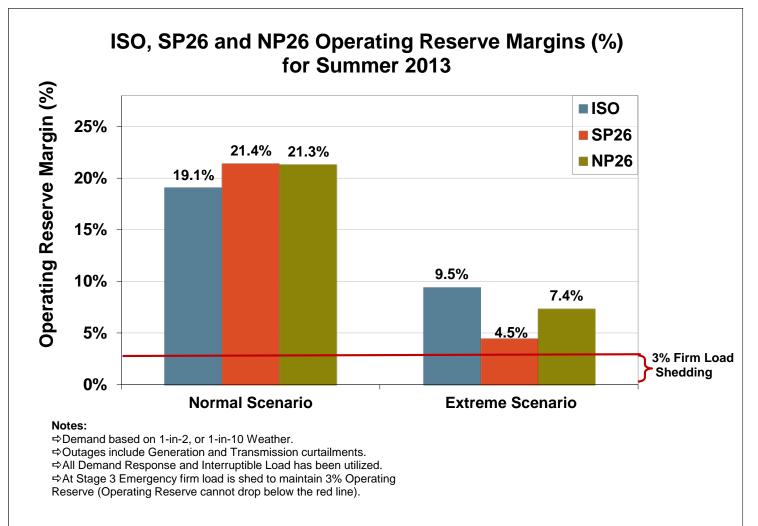


Preliminary hydro situation showing below-average expectations, as observed by the north conditions





Overall reserve margins in northern and southern California remain healthy





Supply into southern Orange County and San Diego with SONGS off-line remain the primary concern

Focus is on non-generation alternatives to mitigate load shed risk for multiple-contingency events





The solutions address 2013 reliability needs without excessive reliance on load-dropping schemes:

- 1) Convert Huntington Beach units 3 & 4 into synchronous condensers
- 2) Install capacitors (80 MVAR each at Santiago and Johanna,160 MVAR at Viejo)
- 3) Split Barre-Ellis 220 kV circuits (from 2 to 4 lines)
- 4) Confirm new resources South of Lugo
- 5) Support adequate funding for Flex Alerts and continue to explore applicable demand response



Next Steps

- Continue to press forward with 2013 mitigation plan
- Seek Board approval later today for additional mid-term mitigation:
 - South Orange County Dynamic Reactive Support
 - Talega area Dynamic Reactive Support
 - Sycamore Penasquitos 230 kV transmission line
- Continue analysis on additional longer-term needs

