

Memorandum

To: ISO Board of Governors
From: Steve Berberich, President and Chief Executive Officer
Date: March 21, 2019
Re: **CEO report**

This memorandum does not require Board action.

OVERALL SYSTEM CONDITIONS

Operating conditions have been normal for this time of the year. As expected, this is maintenance season and many of the transmission lines and generation facilities are offline for maintenance. None of those outages have caused any reliability issues.

We continue to have a series of storms occur in the region. There has been no material impact to the bulk electric system but the operators have been struggling with generation output variability. The storms have impacted the rooftop solar as well, making load forecasting exceedingly difficult and causing load to exceed the forecasts on several days.

With the remarkable snow pack and steady rain contributing to higher than normal hydro production combined continued growth in solar generation, we are trending toward higher than normal curtailments. We expect this trend to grow significantly through the spring.

RELIABILITY COORDINATOR SERVICES

The ISO remains on track to provide reliability coordination services to the California balancing authorities and Cenace (N. Baja Mexico) on July 1. On March 26 – 28, NERC and WECC will be on-site for a certification site review. Along with the core team will be a large group of observers.

The first RC West Oversight Committee meeting occurred on March 14 at the ISO. Michelle Cathcart of Bonneville Power Administration was elected as chair and Steve Cobb of Salt River Project was elected as vice chair of the Committee. All materials and the agenda were posted to a publicly available website and the meeting was open to anyone who sought to attend in person or on the phone.

PG&E BANKRUPTCY

The ISO market continues to remain stable as PG&E continues in bankruptcy. We are monitoring the market and credit positions for any signs of issue and have seen none. We appreciate that PG&E has taken great steps to ensure the continued stability of the wholesale energy market.

MARKET TRAINING

The ISO hosted approximately 25 state and provincial utility commissioners across the West on March 21 and 22 to provide training regarding energy markets and specifically the ISO's market. We appreciate the opportunity to engage with the commissioners and ministers and we thank them for giving up their valuable time to learn about our market.

RENEWABLE ENERGY PRODUCTION

No new renewable generation peaks have occurred since the last CEO report. The most recent solar peak of 10,739 MW occurred on June 29, 2018 at 12:33 p.m. The most recent wind generation peak of 5,193 MW was set on June 8, 2017 at 9:05 p.m. The renewable generation penetration peaks were recorded on May 26, 2018 at 2:28 p.m. of 73.9% of load served by all renewables and 64.6% served by wind and solar alone.

RICHARD MAULLIN

The ISO expresses its deepest condolences to the Maullin family over the passing of Dr. Richard Maullin. Richard served as an ISO Board member and chair for a number of years and was a dear friend of ours. His contributions were many and he will be deeply missed.

MSC APPOINTMENT

Dr. Benjamin Hobbs has served as a member of the ISO Market Surveillance Committee since 2002 and his term as a committee member expires on March 31, 2019. During his tenure on the MSC, Dr. Hobbs has provided invaluable expertise and advice to the Board of Governors, EIM Governing Body, ISO Management and staff on numerous issues relating to the operation of the ISO market.

The tariff requires that the ISO CEO, subject to approval by the Board of Governors, make appointments to the MSC. Therefore, as outlined in the Board memo, I request that the ISO Board of Governors approves the re-appointment of Dr. Hobbs as a member of the MSC and authorize execution of a contract for a three-year term.