

Memorandum

To: ISO Board of Governors
From: Steve Berberich, President and Chief Executive Officer
Date: September 4, 2018
Re: CEO report

This memorandum does not require Board action.

OVERALL SYSTEM CONDITIONS

Above average temperatures across the West in July and the first half of August combined with numerous fires to create challenging operating conditions. A number of lines were lost, particularly in the northern part of the state, which resulted in loss of load. The distribution system was particularly impacted with multiple facilities destroyed in the large fires that have occurred. The ISO has been coordinating with the utilities, gas suppliers and Cal Fire to minimize any system disruptions. We have also been committing additional generation where necessary to protect from loss of load and ensure system reliability during the fires.

DISTRIBUTED ENERGY AND ENERGY STORAGE

The ISO believes that the participation of distributed energy resources and storage in our markets is important so that we can leverage those resources to help provide a reliable system and also allow those resources to receive a valuable stream of market income to help foster their growth and participation. Management is bringing a multi-part proposal for the Board's consideration as part of our ongoing energy storage and distributed energy resource (ESDER) policy initiative. In summary, this proposal adds onto previous efforts by:

- 1) Adding new bidding and real-time dispatch options for demand response;
- 2) Removing the requirement for distributed resources to operate under a single load serving entity and the application of a default load adjustment;
- 3) Providing a load shift product for behind the meter energy storage; and
- 4) Adding performance evaluation methodology for behind the meter electric vehicle supply equipment load curtailment.

RELIABILITY COORDINATOR

The ISO is welcoming a number of entities across the West as participants in our forthcoming reliability services. We appreciate the trust these entities are putting into the ISO for this critical reliability role and we are committed to ensuring a smooth transition and implementing a charter that facilitates a strong program with suitable oversight mechanisms.

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 at 12:33 p.m. The most recent wind generation peak of 5,193 MW set on June 8, 2018 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.