

News Release

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California ISO prepares for another potential summer without San Onofre generation

FOLSOM, Calif. – The California Independent System Operator Corporation (ISO) is taking steps now to prepare for the summer of 2013 should Southern California remain without the generation from the San Onofre Nuclear Generating Station. ISO experts briefed the Board of Governors at their meeting today on recent analysis of grid needs should the nuclear plant not return to service.

Topping the list of recommended mitigation actions is converting Huntington Beach units 3 and 4 into synchronous condensers. The units were brought back into service this year to fill the void left by the nuclear plant shutdown. As synchronous condensers, the Huntington Beach units do not produce ^|^&d && & And, therefore, no air emissions credits are required.

Instead, the condensers, acting somewhat like spinning flywheels, adjust to grid conditions by providing the voltage support, normally supplied by the nuclear plant, to the local 230 kilovolt switchyard. Megavars, instead of megawatts, would be produced and used to push megawatts through the grid, much like water pressure helps push water through a hose.

Two analyses provide the basis for today's briefing: The <u>Addendum to the 2013 Local Capacity Technical Analysis</u> and <u>2012-2013 Preliminary Reliability Results</u>, both available on the ISO website, caiso.com. The analyses also identify adding capacitor banks on Southern California Edison's electric systems to provide transmission line voltage support. The Board today approved the staff recommendation to designate the Huntington Beach units as reliability must-run for voltage support in 2013. The designation is one step toward providing reliability in southern Orange and the San Diego counties. If it later determined additional resources are necessary for must-run services, ISO management will seek further Board approval of those additional reliability must-run contracts.

The state's resource adequacy program has greatly reduced the need for must-run designations over the past few years, although the Board did approve extending a contract for the Dynegy Oakland facility through 2013 for 165 MW. The ISO tariff allows must-run designations under very specific circumstances such as making sure areas have enough local capacity available, mitigating local market power or providing voltage support.

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The California ISO operates the state's wholesale transmission grid, providing open and non-discriminatory access supported by a competitive energy market and comprehensive planning efforts. Partnering with about a hundred client organizations, the nonprofit public benefit corporation is dedicated to the continual development and reliable operation of a modern grid that operates for the benefit of consumers. The ISO bulk power market allocates space on transmission lines, maintains operating reserves and matches supply with demand.