

Clarifying Statement CAISO Report on the Integration of Renewable Resources

September 28, 2007

On September 21, 2007, the CAISO posted its draft engineering report on the Integration of Renewable Resources (Report). On September 26, 2007, the CAISO conducted a meeting to present the assumptions, methodology and results of this draft Report to stakeholders. During that session, stakeholders asked for clarification of CAISO assumptions regarding the 20% Renewables Portfolio Standard (RPS) goal in 2010, given that certain transmission upgrades necessary for the integration of renewables are not scheduled for completion until 2012 or 2013.

The CAISO's primary focus is to identify the steps necessary to integrate renewable resources in accordance with state mandates. CAISO focused the integration of renewables study on the Tehachapi area, which is anticipated to be the single largest source of new renewable generation necessary to meet the state's 20% RPS. In developing this study, CAISO built upon the 2010 WECC base case and referenced that date in key descriptions of study results. However, CAISO recognizes that build-out of the Tehachapi infrastructure will not occur until 2012 to 2013. Because completion of these infrastructure projects is necessary for full integration of the 20% mandate, the CAISO will amend references to 2010 to mean 20% RPS compliance in the final of the Integration of Renewable Resources Report.

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The California ISO strives to be a world-class electric transmission organization built around a globally recognized and inspired team providing cost-effective and reliable service, well-balanced energy market mechanisms, and high-quality information for the benefit of our customers.