

Memorandum

To: ISO Board of Governors
From: Debi Le Vine, Director – System Operations
Date: August 18, 2011
Re: Operations Report

This memorandum does not require Board action.

The real time operational highlights since the last Board report are as follows:

Overall Conditions

The summer operating conditions continue to be much milder than normal. Overall, we are experiencing loads several thousand megawatts lower than expected for this time of year. The most significant load conditions so far this year followed the Independence Day holiday where we experienced loads for four straight days with peak demand greater than 40,000 MW. This compares to thirteen days in 2009 during the comparable period – the last “normal” summer. Long term weather forecasts indicate the mild weather conditions are expected to continue in the mid-term.

As we get later into the summer season, fires will become more of a factor in grid operations. Like recent summers, we are coordinating closely with Cal Fire and Forest Service fire officials to quickly report fires that threaten transmission lines. Assuming loads remain low, we will have more flexibility to reduce the load on threatened lines to prepare for outage incidents.

Noteworthy Grid Events

On Wednesday, July 6, the ISO forecasted demand was nearly 2000 MW below the actual demand due to an unexpected heat wave. Afternoon temperatures on this day were over 100 degrees in Northern and Southern California. Wholesale prices reached the \$1,000 cap several times during that day. An inaccurate weather forecast was the underpinning reason for the inaccurate load forecast and we are doing a root cause analysis to determine if any processes can be improved.

On July 7 the Hassayampa - North Gila 500 kV relayed at 08:25 due to line reactor problems at the North Gila substation. The reactor was isolated for repairs and the line returned to service at 09:36. There was no major system disruption or load loss during the event.

PG&E Gas System Coordination

Pacific Gas & Electric continues to do extensive inspection and testing of their gas system. Most Northern California generation is served by that system and any disruptions may cause generating units to trip offline. We continue to coordinate closely with PG&E's management to avoid any electric service disruptions and appreciate all that PG&E continues to do to provide ongoing gas system status.

Renewable Generation

A new solar generation peak of 514 MW was set on July 18 at 12:21 while the wind generation peak output of 2,517 MW was established on June 10 at 23:29.