



California ISO
Shaping a Renewed Future



Rated:
LEED
Platinum

FOR IMMEDIATE RELEASE

Monday, Nov. 21, 2011

CONTACT: Doug Johnson, BPA 503-230-5840 or
503-230-5131
Steve Greenlee, ISO 888-516-6397

**BPA and California ISO enhance regional coordination
with faster response in energy scheduling**

Joint pilot tests the trading of green imports every half-hour

Portland, Ore. – Northwest wind energy producers can now balance the variable output of their resource by scheduling their electricity into California every thirty minutes instead of only once an hour. A new intra-hour scheduling pilot created by a partnership between the Bonneville Power Administration and the California Independent System Operator Corporation will reduce operational issues and expand opportunities for wind power developers.

The new pilot project doubles the pace of the interstate energy transfers to better match the ups and downs of wind energy, which helps reduce costs for both balancing authorities. Participants can adjust schedules if a wind facility is generating less energy than scheduled, making up the difference with a California resource. Without the pilot's ability to adjust schedules closer to real-time, the expected delivery from wind resources is subject to reductions and that means the ISO has fewer grid dispatch options.

“We continue to modernize the Northwest grid in new ways that will help lower the costs of wind power while protecting reliability,” said Steve Wright, BPA administrator. “Testing this advance with our partners in California will help us gain valuable experience, which we hope will help maximize the use and value of Northwest wind energy.”

Traditional power plants provided such steady output that utilities have long bought and sold electricity on an hourly basis. But wind is changing that because the energy it produces can vary within mere minutes. The variability of generation must be compensated for because the input and use of electricity must match perfectly in real time to assure reliable service. Opening markets to respond to that variability in smaller time increments is one way to better integrate renewable wind power.

“For decades, California and the Northwest have enjoyed a history of resource reciprocity, sharing megawatts to gain efficiencies and operational flexibility,” said California ISO President and CEO Steve Berberich. “The ability to test more frequent exchanges comes as the Federal Energy Regulatory Commission is encouraging intra-

hour scheduling to deal with the operational issues of integrating variable resources. This pilot allows the ISO to gain actual experience in meeting FERC's requirements."

The first utility to participate in the initiative is Southern California Edison.

"Inter-regional cooperation among the major balancing authorities in the west is an important aspect of electricity markets that is necessary to efficiently integrate renewable resources for the benefit of electricity customers, both in California and the Pacific Northwest," said Ron Litzinger, president, Southern California Edison. "We applaud the efforts of BPA and the California ISO in this regard. These efforts are critical to allowing utilities like SCE to meet California's ambitious 33 percent renewable energy goal in ways that are cost-effective for California customers."

New outlets for wind energy may also ease the need for federal hydroelectric dams to balance unexpected changes in wind generation. In some instances, intra-hour transactions have helped wind producers sell additional energy instead of cutting generating off when the balancing capacity of the hydroelectric system was exhausted.

"This is a natural next step in our efforts to relieve some of the strain on the hydro system while helping wind generators access markets that can use their generation," said Cathy Ehli, vice president, BPA Transmission Marketing and Sales.

BPA is a non profit federal agency that markets renewable hydropower from federal Columbia River dams, operates three-quarters of high-voltage transmission lines in the Northwest and funds one of the largest wildlife protection and restoration programs in the world. BPA and its partners have also saved enough electricity through energy efficiency projects to power four large American cities. For more information, contact us at 503-230-5131 or visit our website at www.bpa.gov.

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. For more information, visit www.caiso.com.

###