

# Memorandum

**To:** ISO Board of Governors  
**From:** Steve Berberich, President and Chief Executive Officer  
**Date:** November 11, 2019  
**Re:** CEO report

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*This memorandum does not require Board action.*

## OVERALL SYSTEM CONDITIONS

Over the last several weeks, operating conditions have been mostly dominated by coordinating reliability studies and system operations around Public Safety Power Shutoffs (PSPS) and fires in various areas across the system.

There have been a multitude of PSPS events executed by all three investor owned utilities. In each case, the utilities have notified the ISO of lines expected to come out of service and the ISO's engineering staff has been assessing them to ensure no broad impact to the Bulk Electric System or secondary load sheds. In some cases, additional generation was also committed to protect against contingencies created by the PSPS events. To date, no secondary reliability impacts have materialized.

Several large fires have burned across the ISO service territory. For the most part, they have not threatened major transmission lines to the point of causing material system disruption. Transmission to the Geysers generation was cut at one point as were transmission lines in the Southern California Edison service territory.

Note that Diablo Canyon Unit 2 is currently offline for refueling and is expected to return in mid-December.

## RELIABILITY COORDINATOR SERVICES

Following certification as a reliability coordinator, the ISO began providing reliability coordination services to remaining customers on November 1, 2019 – principally areas outside of California, Mexico and part of Nevada. RC West is now the reliability coordinator of record and responsible for high level reliability of the grid for its footprint. We appreciate the professionalism and collaboration of the PEAK staff during this transition and we want to thank WECC and NERC certification teams for their diligence during this transition to ensure reliability in the Western grid.

## **ENERGY IMBALANCE MARKET BENEFITS**

Third quarter benefits for the energy imbalance market total \$64.1 million with cumulative benefits of \$801.07 million since the market went live in 2014. Additionally, carbon abatement from sharing otherwise curtailed renewables is 14,485 metric tons of CO<sub>2</sub>.

## **REGIONAL DAY-AHEAD MARKET**

To further a regional day-ahead market, the ISO is beginning a stakeholder process to evaluate key market attributes. We expect that process to take several months and stretch well into 2020 as consensus will be sought on several weighty design parameters. Additionally, the companion EIM Governance Review Committee is scheduled to hold its first meeting in early December. We very much appreciate the members of the EIM Governance Review Committee for their willingness to serve.

## **RENEWABLE ENERGY PRODUCTION**

No new renewable production nor renewable penetration records have been set since the July CEO report. The most recent solar peak of 11,473 MW occurred on July 2, 2019 at 12:52 p.m. The most recent wind generation peak of 5,309 MW was set on May 8, 2019 at 3:50 a.m. The most recent renewable generation penetration peak was recorded on May 5, 2019 at 2:45 p.m. with 80.3% of load served by all renewables.

## **PERSONNEL**

Keith Casey, the ISO's Vice President of Market and Infrastructure Development, has announced his intention to retire in January 2020. Keith has been at the ISO more than 20 years culminating in his current role. During that time, Keith has led efforts to make interconnections smoother and more efficient, pushed the envelope on markets to optimize renewables and allow for groundbreaking innovations that allow distributed generation and storage to participate in the ISO market. In terms of infrastructure development, Keith and his team were instrumental in connecting thousands of megawatts of renewables onto the system. We wish Keith the best in the next phase of his life and thank him for all he has contributed to the ISO.