

News Release

For immediate release: | March 26, 2012

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California ISO Board green lights grid upgrades Transmission Plan reaffirms Golden State is ready for renewables rush

FOLSOM, Calif. – The California Independent System Operator Corporation Board of Governors unanimously approved the [2011/2012 Transmission Plan](#), which identified 30 transmission projects as needed to maintain grid reliability.

The Plan also affirms, for a second year, that previously approved major transmission projects remain sufficient to meet California's goal of using renewable resources to supply 33 percent of power use by 2020. ISO analysis shows approving additional green transmission at this point could potentially lead to overbuilding and stranded investments.

While remaining prudent, the ISO is committed in evolving its planning processes to identify and approve the least cost options that enhance grid reliability. This effort is made possible by collaborating closely with the California Energy Commission and California Public Utilities Commission. The energy agencies conducted research and analysis that identified renewable-rich, remote areas of California where new transmission upgrades would likely occur. This aided the grid planning analysis.

The ISO 2011/2012 Transmission Plan is the result of a [15-month process](#) in which the ISO and its stakeholders undertook a comprehensive study of California's grid and generation needs. The Plan assesses whether additional transmission is needed to: 1) maintain power grid reliability; 2) enable policy-driven resources (i.e., clean energy delivery); and 3) relieve transmission bottlenecks to reduce costs. Project investments approved total \$691 million.

Flexible capacity requirements

Development of next year's plan is already underway and will ascertain the level of flexible generation capacity to meet the changing operational needs of the grid as more and more renewable power is added to the system. Traditional natural gas plants provide flexible capacity which is essential in balancing fluctuations of wind and solar power as well as supporting and maintaining local area demand.

"The needs of our grid are becoming more complex as California strives to reach important clean energy goals. ISO operators need the right mix of resources going forward to reliably manage the power system and that includes conventional generation that can quickly ramp up or down to complement the variable flow of renewable power," said Neil Millar, Executive Director, Transmission Planning. "Looking forward, the ISO is concerned this unique operational tool may diminish over the next five years as a result of a once-through cooling regulation that may prompt retirements of some gas-fired power plants."

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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.