

NEWS RELEASE

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California ISO
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Cleaner Energy Presents New Benefits & Challenges Summer Grid Outlook Shows Continued Reliance on Conservation and DR

Folsom, CA – Air conditioners are likely to keep humming this summer without interruption, but the California Independent System Operator Corporation (California ISO) says conservation will continue to play a role in managing reliability. The transmission operator issued its annual summer assessment for electricity today. The comprehensive document describes a wide range of possible supply and demand conditions this summer. The report finds that, in most scenarios, there will be adequate electricity supplies to maintain reliability of the power grid: <http://www.caiso.com/1fb7/1fb7855eed50.pdf>.

The California ISO 2008 Summer Assessment for 2008 is based on a range of scenarios using three main variables: Demand for electricity, plant outage rates, and import levels. All three of these variables can change—sometimes dramatically—from one hour to the next during intense heat waves. Higher temperature equals higher demand. Power plants are subject to outages caused by equipment failures, especially when run hard during lengthy heat waves. Import levels vary depending on the regional nature of heat wave as well as the same conditions that affect California electricity supplies such as generator and transmission outages or derate. They can also change as a result of hydroelectricity flows.

“California is also transitioning to a vastly different power grid in response to important environmental goals that are helping to ‘green the grid’. The transition requires both careful management and greater public understanding of the benefits and challenges,” said California ISO President and CEO Yakout Mansour.

Scenario testing, analyzing how the grid is likely to respond during extreme conditions, helps the ISO control room operators, the industry and consumers prepare for measures that will minimize any the impacts of heat waves. The state Resource Adequacy program sets aggressive procurement targets for load serving entities, both the year ahead and the month ahead, to ensure enough supply is available most of the time.

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SUMMER ASSESSMENT-2-2-2

Supply is adequate to handle a broad range of operating conditions. But, as is usually the case, system operations will be challenged at the extremes. Conservation and demand response programs will continue to be important this summer and will have an increasingly important role in the years to come.

These variables mean that the summer assessment cannot offer firm predictions of what will happen. Rather, it uses both deterministic and probabilistic methodology to offer a range of potential operating conditions and combinations of conditions that affect operating reserves to help the industry focus on key mitigating measures.

“Our job is to maintain reliability through all possible conditions, if possible, and minimize the impact at the extremes,” said ISO President and CEO Yakout Mansour. “When the weather heats up, we have many tools in our toolbox to call upon. Voluntary conservation is just one of those tools. There is never a good time to waste electricity and managing energy use is good for the grid, good for the environment, and good for your monthly utility bill, too”.

The California ISO is once again partnering with Flex Your Power NOW! to alert consumers when energy demand is climbing. “Flex Alerts” are issued 24- to 48-hours in advance of when conservation is needed.

Flex Your Power NOW!

At Home:

- Set your thermostat at 78-80 degrees when home, 85 or off when away.
- Avoid using appliances during the peak usage period 4:00 to 6:00 pm
- Turn off your pool pump and avoid outdoor watering during peak periods.

At Work:

- Turn off computer monitor when you are away from your desk
- Turn off half the overhead lighting
- Set the thermostat at 78-80.

Additional conservation tips and continuous system condition updates are available on the www.caiso.com under Today’s Outlook and the California Flex Your Power website at www.fypower.org.

The California ISO is a not-for-profit public benefit corporation charged with managing the flow of electricity along California’s open-market wholesale power grid. The mission of the California ISO is to safeguard the reliable delivery of electricity, and ensure equal access to 25,000 circuit miles of “electron highway.” As the impartial operator of the wholesale power grid in the state, the California ISO conducts a small portion of the bulk power markets. These markets are used to allocate space on the transmission lines, maintain operating reserves and match supply with demand in real time.

