



News Release

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ISO wholesale energy market opens doors to storage technologies

Resources to compete with conventional power plants; help integrate renewable power

FOLSOM, Calif. – The California Independent System Operator Corporation (ISO) Board of Governors waved the starting flag today to enable new types of storage resources, such as batteries and flywheels, to provide reserves for the power grid. The resources offer flexibility and fast on/off capabilities that are expected to provide significant operational benefits.

The ISO calls the new service “regulation energy management” and believes it will open up opportunities for storage as well as demand response to become a larger participant in the ancillary services market that makes up ISO operating reserves. Both demand response and storage are emerging quickly as key components in integrating wind and solar output that can fluctuate depending upon weather conditions.

“The integration of renewable resources introduces new requirements to reliably manage the grid,” said ISO President and CEO Yakout Mansour. “Our Five-Year Strategic Plan points out that storage technologies bring unique operational solutions to grid management as a tool for helping balance renewables on the system. We are ready to gain valuable operational experience with this potentially versatile resource.”

An estimated 5-10 megawatts of storage is expected to begin bidding into the ISO market once the Federal Energy Regulatory Commission approves the required tariff changes and software modifications are made. The ISO will be closely monitoring the performance of these new technologies and adapt market rules as necessary to maximize the benefits they provide.

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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 more than 90 client organizations, the ISO is dedicated to the continual development and reliable operation of a modern grid that operates at the least cost to the benefit of consumers. The ISO bulk power market allocates space on transmission lines, maintains operating reserves and matches supply with demand. Recognizing the importance of global climate change, the ISO welcomes new, advanced technologies that will help meet the energy needs of 30 million Californians efficiently and cleanly. The ISO is a nonprofit public benefit corporation.