California ISO
Shaping a Renewed Future

News Release

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ISO Board of Governors approves new three-year strategic plan
Evolves electric service to be more secure and sustainable

FOLSOM, Calif. – The California Independent System Operator Corporation (ISO) Board of Governors unveiled today its new three-year vision for evolving the high-voltage transmission grid into a sophisticated digital network that is both secure and sustainable. *Building a Sustainable Energy Future 2014-2016 Strategic Plan* positions the ISO to meet future challenges while leveraging innovative technologies that help fight climate change.

The strategic direction encourages participation of clean resources, such as demand response and energy efficiency. Throughout the plan, the ISO demonstrates its commitment to preferred resources, which also include renewable power and advanced energy storage.

Taking into account the permanent shutdown of the San Onofre Nuclear Generating Station, the plan also factors in a critical infrastructure refurbishing of the Southern California electric network that is complicated by looming compliance deadlines for large once-through cooled power plants in the region. In total, about 7,000 megawatts of generation could disappear in the next several years. Maintaining reliability during this transition while further reducing the grid's carbon footprint is a pivotal priority within the plan.

"The ISO is uniquely positioned to help transform our electric grid in an environmentally responsible way. This is shaping a diverse power mix as well as producing new operating requirements for meeting demand," said ISO Board Chairman Bob Foster. "Our new strategic priorities seek to advance flexible resources that match fluctuations of wind and solar power, allowing us to put more renewables on the grid."

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Three core strategies serve to anchor and focus the ISO performance management framework in the years ahead and define the capabilities to accomplish them. They include the following:

1. Lead the transition to renewable energy
2. Maintain reliability during industry transformation
3. Lead regional collaboration.

Taking advantage of geographic diversity in the West will support all three key strategies through energy resource sharing that facilitates reliable integration of renewable power in the region. Expansion of the ISO energy imbalance market is a key part of the strategic plan as it will unlock mutual benefits between grids.

ISO analysis shows including western neighbors in its real-time market lowers wholesale electricity costs while helping meet energy policy goals and strengthening reliability. The broader array of resources optimizes the efficiency provided by the ISO's automated system that balances electricity supply and demand every five minutes.

"Our expanded energy imbalance market will give the West a new mechanism to add the operational flexibility needed to orchestrate an increasingly green and efficient regional network," said Chairman Foster.

Read more about the new market and other innovative ISO strategies in the *Building a Sustainable Energy Future 2014-2016 Strategic Plan*.

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The California ISO provides open and non-discriminatory access to one of the largest power grids in the world. The vast network of high-voltage transmission power lines is supported by a competitive energy market and comprehensive grid planning. Partnering with about a hundred clients, 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. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help meet a sustainable energy future efficiently and cleanly.