

News Release

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ISO Board acts to enhance grid rules to better use renewables

Adopting updated ways to ensure reliability will establish a grid ready to adapt to a modern world

FOLSOM, Calif. – The California Independent System Operator Corporation (ISO) Board of Governors moved today to approve new rules on how grid resources are monitored and managed to strengthen reliability. By voting unanimously in support of the Reliability Services Proposal-Phase 1 initiative, the Board acknowledged the new green grid paradigm is changing how the wholesale electric system is operated and so must the way in which resources are assessed and accessed under the state’s [Resource Adequacy](#) rules. Established in 2004, resource adequacy is a process that ensures all load serving entities are procuring enough resources to reliably serve consumer demand — minute by minute, day after day.

“We established this multi-year initiative to evolve the ISO’s resource adequacy rules to make sure resources are offering energy to the wholesale market as expected and have the right technological capabilities to meet local, flexible and system needs,” said Keith Casey, ISO Vice President, Market and Infrastructure Development. “This initiative requires a significant implementation effort, which includes coordinating with state regulators and our market participants, and will take about two years.”

The initiative’s Phase 1 recommendations approved today include policies and processes to further integrate “preferred resources”, such as renewables, energy efficiency, energy storage and demand response. Also, new rules were greenlighted to encourage greater availability from resource adequacy designated resources that include demand response. The other revision adopted today will streamline resource outage rules.

Phase 2 of the initiative will begin this year and will seek to further enhance flexible resource adequacy requirements and planned outage rules.

To improve market efficiency and reliability, the Board also approved a set of targeted market rule changes under the Commitment Cost Enhancements-Phase 2 initiative to better manage “use limited” resources. Use limited resources, such as hydroelectric plants and demand response, have technological reasons for being unable to operate continuously. The initiative also enhances the current rules that account for the costs of operating multi-stage generators, which differ from typical generators in that the turbine units have different operational configurations with different minimum and maximum output levels.

The ISO tariff changes associated with the two initiatives will be filed with the Federal Energy Regulatory Commission, which regulates the ISO and the rest of the nation’s six organized grid operators, for its approval.

To see the Board materials regarding these two initiatives, click [here](#).

For detailed information on the initiatives, use this [link](#).

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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.