

News Release

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ISO's summer assessment forecasts tight supply conditions Demand Response and consumer conservation expected to be called upon

FOLSOM, Calif. – With below-average hydroelectricity supplies and reduced generation, capacity to serve consumers will be tight in high-load periods this summer, especially during evening hours of hot days when solar power dissipates, according to the California Independent System Operator's (ISO) annual summer assessment released today.

The [2018 Summer Loads and Resources Assessment](#), which forecasts the 2018 peak demand to be about the same as last year, modeled thousands of scenarios based on a range of weather-driven demands and system conditions. In total, 2018 hydroelectric production will be down 1,300 megawatts (MW) by late summer compared to 2017's above-normal production. In addition, natural gas powered generation will see a drop of about 800 MW due to plant retirements.

The analysis expects electricity supplies to be adequate during the day when solar production is high. However, conditions will become challenging in the evening hours as California's large amount of solar energy turns off as the sun goes down while consumers begin using energy to cool their homes.

The ISO's assessment uses historical temperatures, ranging from normal to extreme, and demand data, along with current power plant availability to build out 2,000 scenarios to calculate the probabilities of results for each hour of the day. All resources are included in the models, including use of demand response programs that reduces consumption in exchange for a discounted electricity rate.

The 2018 analysis found a 50-percent probability that the ISO will need to declare a [Stage 2 Emergency](#) at least for one hour this summer, which has not been used since 2007. The report also finds there is an extremely low probability the ISO will be forced to initiate rotating power outages.

Meanwhile, the system will not have the benefit of abundant hydroelectric resources as in the past year, with late-summer supplies especially low. The California Department of Water Resources reports that snowpack water content was 51 percent of average as of April 2.

In addition, the ISO analysis shows 860 MW of generation retirements since last summer, including 837 MW of natural gas generation. Nearly 692 MW of generation was added to the system since last year. Of that, 60 percent is solar, 24 percent biofuel, 7 percent wind, 7 percent natural gas, and 2 percent hydroelectric.



The ISO projects that 51,947 MW of generation capacity will be available to serve demand this summer. The peak demand for this summer is projected to be 46,625 MW under normal conditions. If temperatures are warmer than normal, as they were last year, then the power supply margins will begin to tighten up significantly as air conditioning demand rises. For reference, last year's peak load was 50,116 MW on September 1, 2017.

To help balance supply and demand, the ISO may issue Flex Alerts, a voluntary call for consumers to reduce their power use, or a "Warning," which is a more urgent call for conservation, and allows the ISO to tap into demand response capacity in the market.

The assessment, which analyzes only system-wide conditions, does not take into account the ongoing limitations placed upon the Aliso Canyon Natural Gas Storage Facility in Southern California. However, natural gas limitations due to storage facility and pipeline outages could add to the summer reliability concerns in Southern California.

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