

# Memorandum

**To:** ISO Board of Governors  
**From:** Eric Schmitt, Vice President, Operations  
**Date:** March 15, 2012  
**Re:** **Operations Report**

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***This memorandum does not require Board action.***

The real-time operational highlights since the last Board report are as follows:

## **OVERALL CONDITIONS**

The winter loads are as expected, with evening peak demand below 32,000 megawatts. As we approach spring, summer preparedness activities are underway. There are two large power plants off line on planned maintenance: the Palomar Energy Center and Unit 2 of the San Onofre Nuclear Generating Station (SONGS). SONGS Unit 3 was unexpectedly removed from service due to a steam generator tube leak in late January. There is no firm date for when the SONGS units will return to service. The combination of the three generator outages creates a condition in which operating margins are very slim in the San Diego Gas and Electric area as well as the ISO portion of the grid serving the Los Angeles Basin.

We restrict maintenance beginning January 31 and only allow the most critical outages, which we closely coordinate with SDG&E to assure reliability. Additionally, the ISO procured capacity from Huntington Beach Unit 2 through the capacity procurement mechanism and we are exploring other mitigation measures with the utilities that can be put in place quickly should SONGS not return to service this summer.

On February 14, Southern California Edison's Windhub Substation North 220 kilovolt bus relayed while the South 220kV bus was out for maintenance. This resulted in the loss of approximately 920 megawatts of wind generation that was no longer connected to the system. The ISO deployed contingency reserves, restoring balance to the system within the required 15-minute time period in compliance with the disturbance control standard. The bus returned to service in two hours and the wind generation returned shortly thereafter.

On February 18, Southern California Edison's Lugo Substation 1AA 500/220kV transformer bank relayed when the "B" phase unit faulted and caught fire. At the same time, the 2AA 500/220kV bank relayed. The 2AA bank was returned to service on February 19.

## **WATER SUMMARY**

Rainfall is well below normal for this time of year. Precipitation is only about half of normal and the mountain snowpack is less than a third of what is average. It is still possible – though statistically unlikely -- that late-season storms could salvage the water year.

## **GAS SYSTEM COORDINATION**

Coordination with the Southern California Gas Company and Pacific Gas & Electric Company continues in conjunction with the extensive inspection and hydrostatic testing of gas pipeline systems that serve electric power plants. We frequently communicate to discuss the status of the gas system and electric grid to ensure that sufficient natural gas supply is available for generating units in order to maintain reliability.

## **RENEWABLE GENERATION**

With additional renewable development since last summer, we are setting new solar and wind production peaks. A new solar power peak of 612 MW was set on March 8, 2012 and wind production has a new high peak of 2,555 MW, set on March 6, 2012