



2010 Summer Loads & Resources Operations Preparedness Assessment

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Summer assessment is a critical input to our summer preparedness activities and is based on a well established methodology.

Methodology:

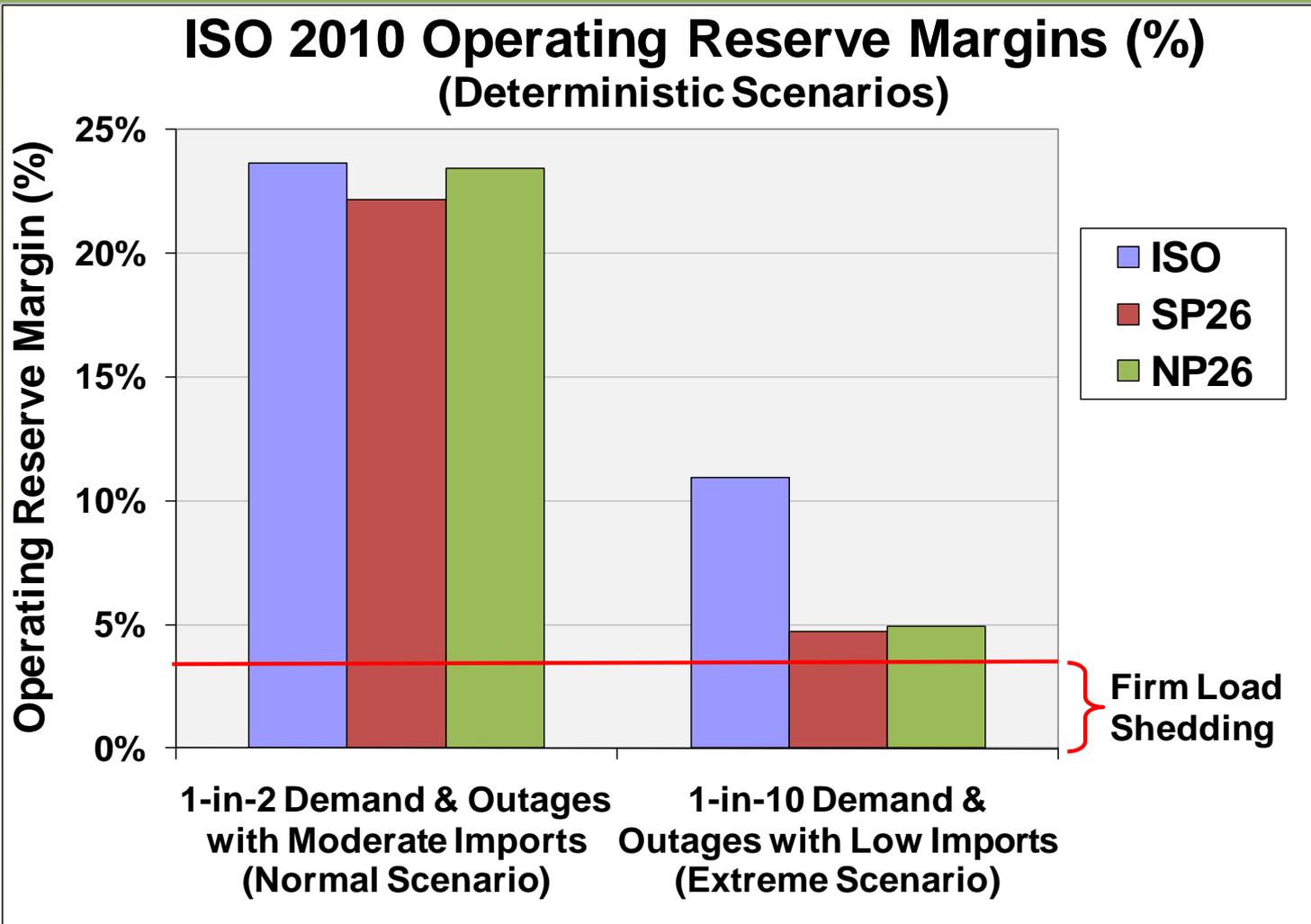
- Develop forecasts
 - Demand, generation, imports, outages
- Develop scenarios
 - Deterministic – 9 specific scenarios
 - Probabilistic – 5,000 scenarios
- Validate assumptions and vet results
 - Vet with CEC, compare with IOUs

2010 summer planning reserve margins are more than adequate.

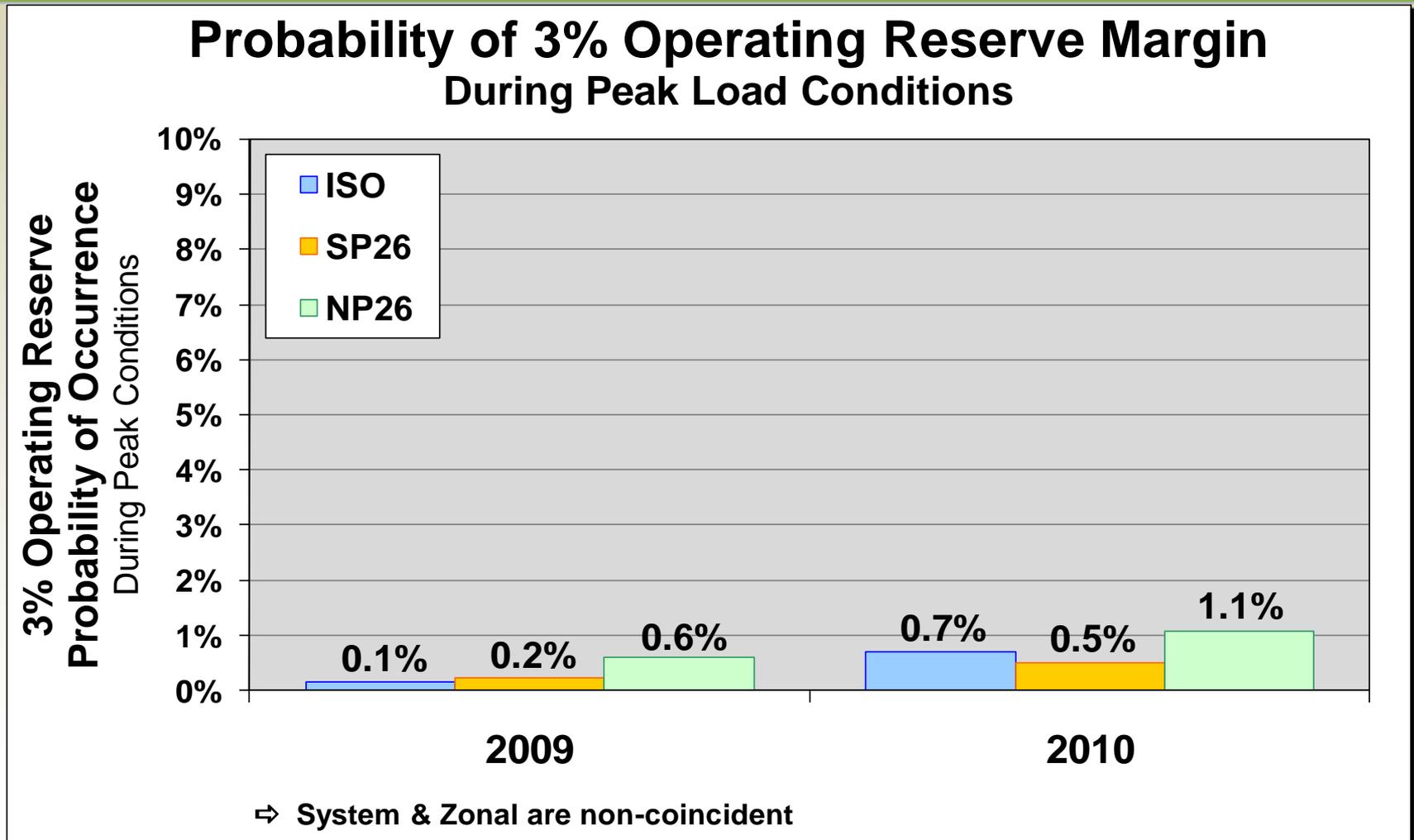
Summer 2010 Supply & Demand Outlook

<u>Resource Adequacy Planning Conventions</u>	<u>ISO</u>	<u>SP26</u>	<u>NP26</u>
Existing Generation	49,807	23,326	26,481
Retirements (known/expected)	(6)	0	(6)
High Probability CA Additions	1,086	1,057	29
Hydro Derates	0	0	0
Net Interchange (Moderate)	10,100	9,200	2,050
Total Net Supply (MW)	60,988	33,583	28,555
Demand (1-in-2 Summer Temperature)	47,139	27,198	21,154
Demand Response & Interruptible Programs	2,403	1,668	734
Planning Reserve	34.5%	29.6%	38.5%

ISO deterministic results indicate no firm load shedding in 1-in-10 & low import scenarios.



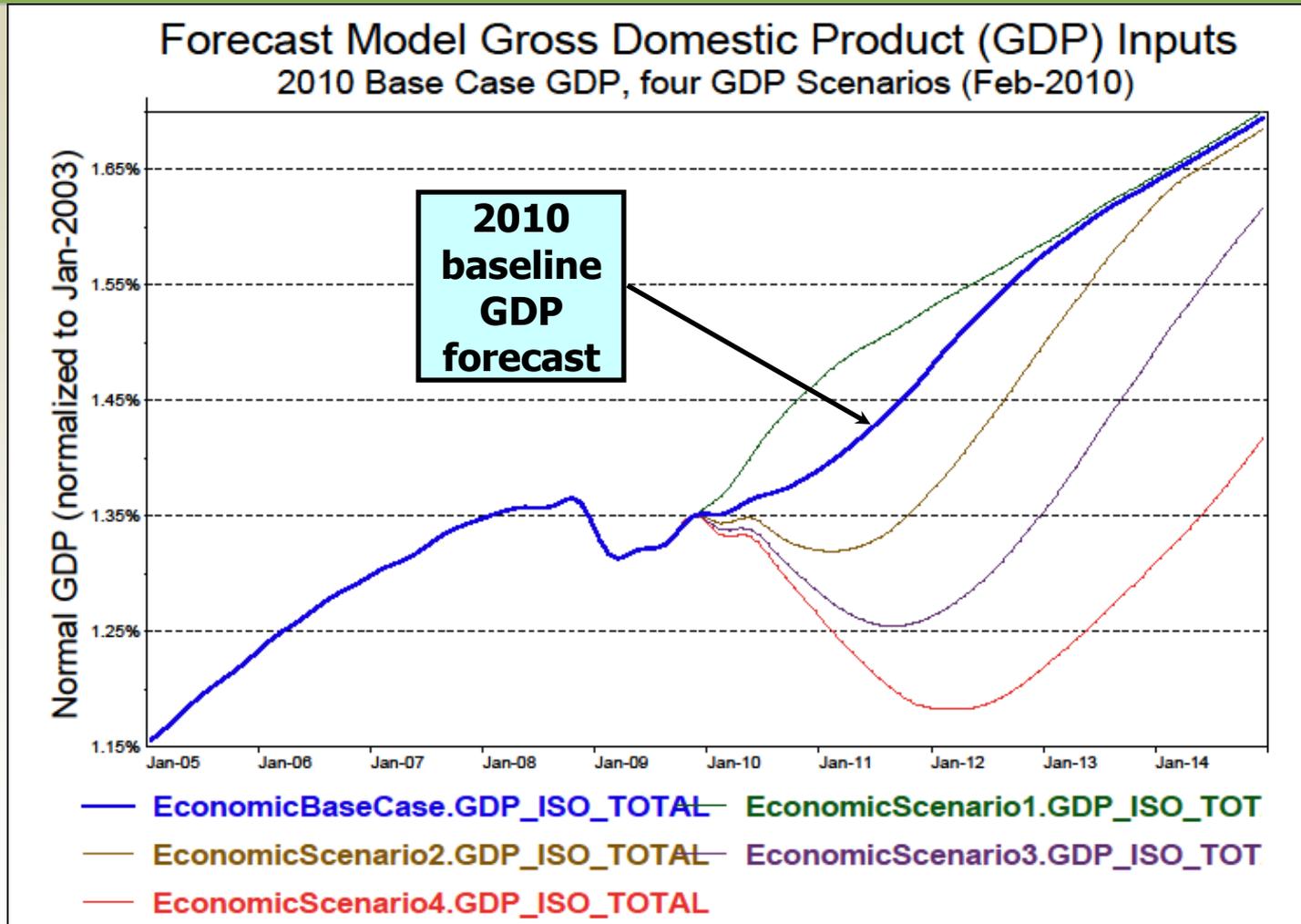
2010 probabilistic results show continuing low probability of shedding firm load.



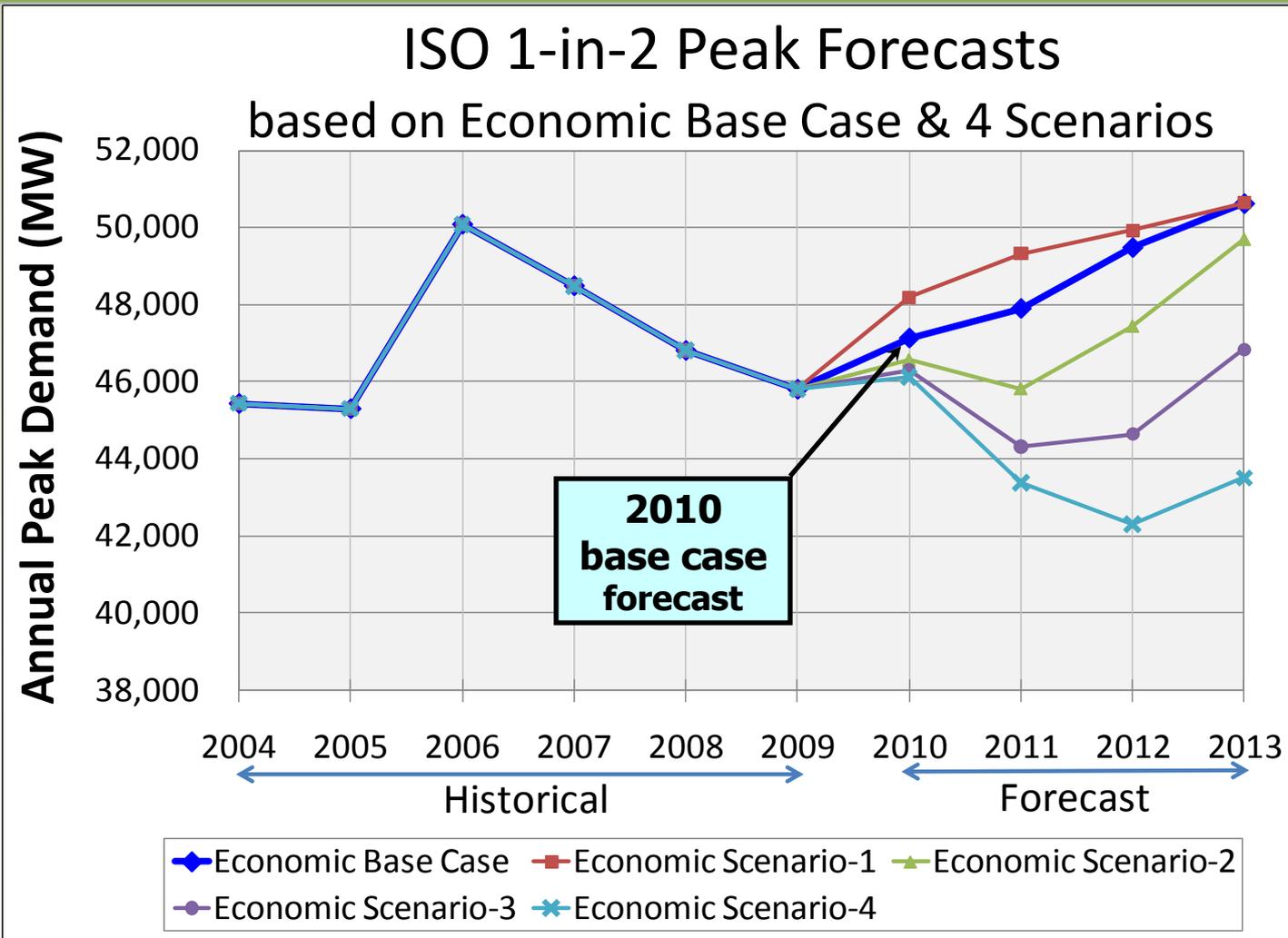
Key differences from 2009 assessment results:

- Supply
 - 1,357 MW of new in-state generation
 - Hydro conditions are normal for California
 - Hydro conditions are below normal for Pacific Northwest
 - Impacts – improved over last year
- Demand
 - 2010 peak demand 2.9% higher (modest economic recovery)
 - 2010 demand response 15% higher

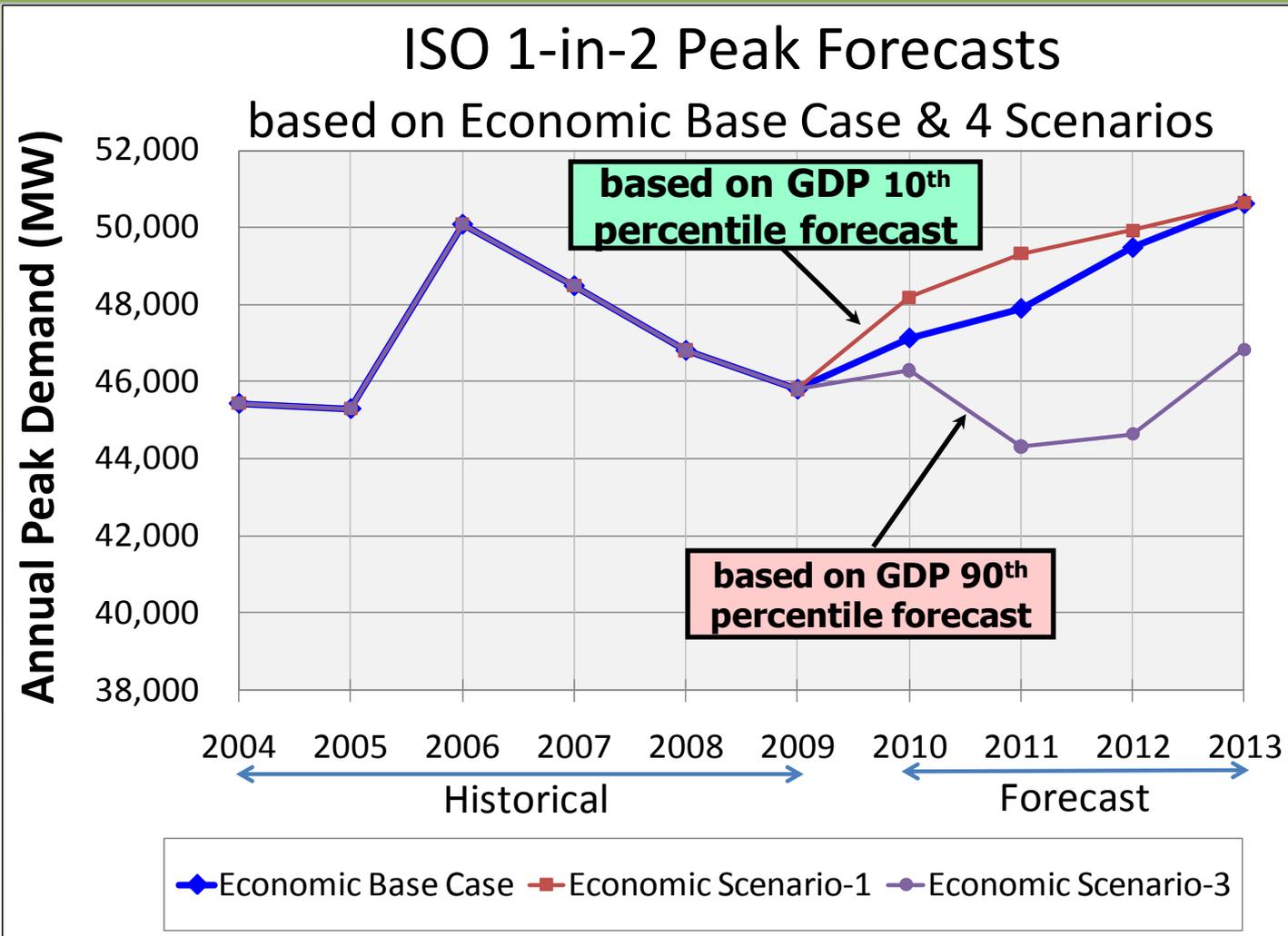
Economic scenarios used to predict peak demand show range of gross domestic product uncertainty.



Gross domestic product base case forecast shows moderate recovery of loads.



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The ISO has completed its annual summer preparedness meetings.

- Generators owners
- Participating transmission owners
- Scheduling coordinators
- Municipal utilities
- Cal Fire
- California Oregon Intertie participants
- Held summer workshops for system operators
 - Brought together grid operators from all over the West
 - Foster ongoing relationships to rely on each other during critical periods