

Memorandum

To: ISO Board of Governors
From: Steve Berberich, Vice President & Chief Operating Officer
Date: December 7, 2010
Re: **Operations Report**

This memorandum does not require Board action.

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

Overall Conditions

Conditions on the grid have been generally normal, but we have seen some fairly extreme ramps associated with colder weather and holiday lighting since the last board report. It is normal to see flat demand through the afternoon this time of the year with the lack of air conditioning load, with a high peak associated with holiday lighting in the evening. We have seen more pronounced ramps in the morning and early evening since Thanksgiving due to lower-than-normal temperatures. For example, on November 29, the morning ramp pull was in excess of 800 megawatts over a ten minute period while the evening ramp exceeded 1,000 megawatts in a 10-minute period. We have successfully managed through the ramps but have had instances where we have exhausted our ramping capabilities – especially in the second half of the hour. As a result, we are exploring various options to increase our ramping capabilities.

Control room

On November 8, real time operations commenced at the Iron Point facility in the ISO's new control room. The handoff occurred at approximately 10:30 AM when the new Energy Management System (EMS) was deployed. Everything went as planned thanks to the teamwork of all ISO employees involved. Due to the lack of issues experienced, we also ceased operating with a contingency crew at the Blue Ravine facility.

Renewable desk

In preparation for the increasing amounts of renewable energy that will be synchronizing to the western interconnection, the ISO implemented a pilot renewables desk on December 1, making the ISO the first operator in the country to create and operate a renewables desk. The pilot project is expected to last for six months, through May 30, 2011. We will use that time to continually assess the tools and forecasting capabilities to steer our efforts going forward.

The desk will forecast daily renewables and utilize visualization tools to track current output of wind, solar and biomass, just to name a few. In addition, the desk will track the previous two days' output, evaluating weather changes, reviewing real-time dynamic monitoring, and forecasting renewable output.