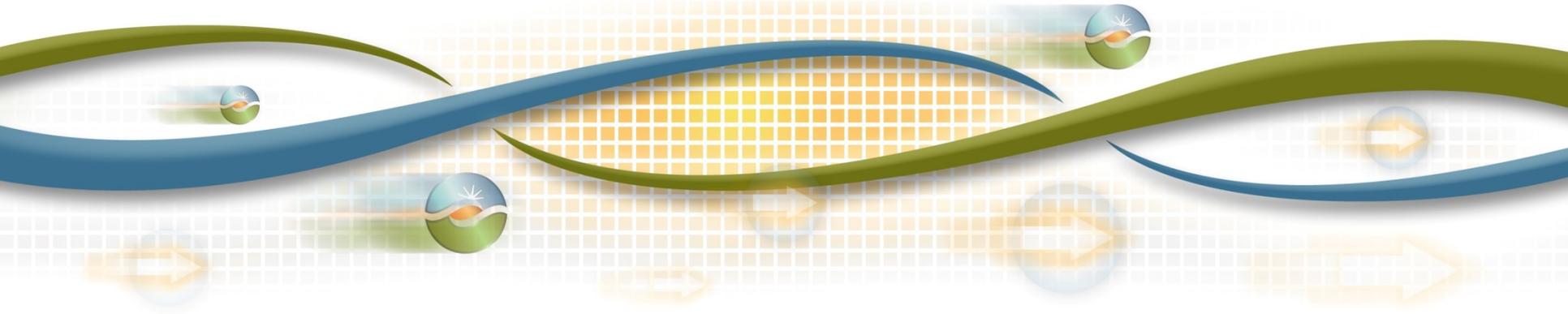


2012 Summer Loads & Resources Assessment

Robert Emmert
Manager, Interconnection Resources

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2012 Summer Assessment addresses:

- Peak demands
 - Historical
 - Forecasted
- On-peak resources
 - Generation **(Assumes both SONGS units in service)**
 - Imports
 - Demand response
- Reserve margins
 - Normal scenario reserve margins (1-in-2 deterministic)
 - Extreme scenario reserve margins (1-in-10 deterministic)
- Load shedding probabilities
 - Probabilistic scenarios

2012 normal scenario operating reserve margins are at more than adequate levels for ISO, SP26 and NP26

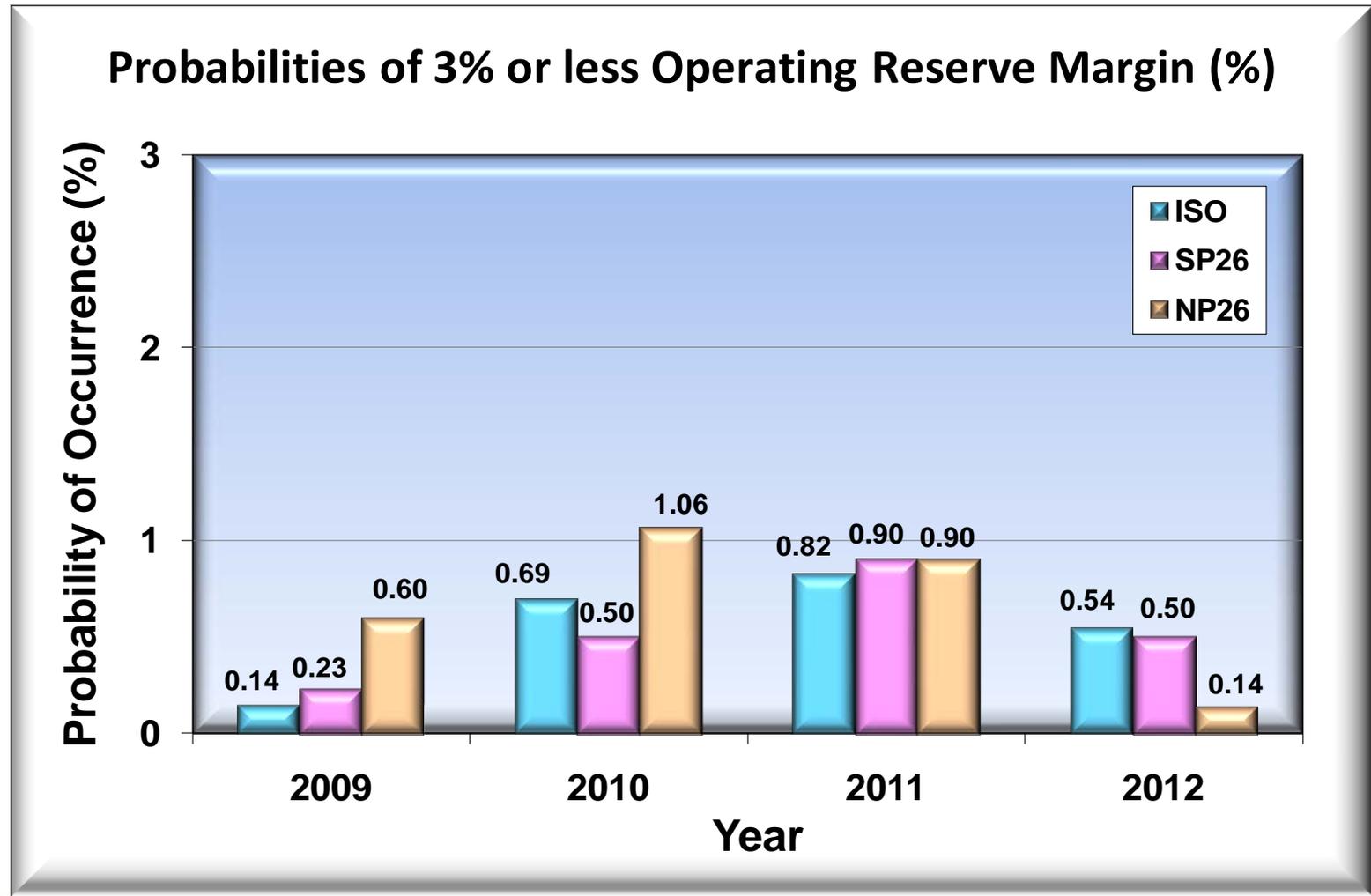
On-Peak Resources (MW)	ISO	SP26	NP26
On-Peak Generation (including hydro derates)	49,204	23,588	25,616
Outages (1-in-2)	(4,698)	(2,033)	(2,677)
Imports (Moderate)	10,000	10,000	2,100
DR & Interruptible Programs	2,296	1,721	576
Total Resources	56,803	33,276	25,615
Peak Demand (1-in-2)	46,352	27,399	20,702
Operating Reserve Margin	22.5%	21.5%	23.7%

2012 extreme scenario operating reserve margins are above 3% firm load shedding threshold for ISO & NP26, SP26 is slightly below (low probability of occurrence)

Extreme Scenario: Low imports, 1-in10 Demand and Outages			
On-Peak Resources (MW)	ISO	SP26	NP26
On-Peak Generation (including hydro derates)	49,207	23,584	25,622
Outages (1-in-10)	(6,844)	(3,872)	(3,616)
Imports (Low)	8,600	8,800	1,400
DR & Interruptible Programs	2,296	1,721	576
Total Resources	53,260	30,233	23,982
Peak Demand (1-in-10)	48,744	29,414	21,977
Operating Reserve Margin	9.3%	2.8%	9.1%

~70 MW additional imports needed to stay above 3% threshold

Probabilities of firm load curtailment have been ~1% or less since 2009



The ISO is in the process of completing its 2012 annual operation preparedness process

- Present summer assessment results to the market participants
- Train its grid operators for system events, operating procedures and utility practices
- Coordinate with WECC, Cal Fire, gas companies, neighboring balancing authorities and relevant state agencies
 - These functions will be done prior to Summer operations
- Review results with California Energy Commission
 - Completed this ongoing ISO and CEC commitment to coordinate supply and demand assessments