

Memorandum

To: ISO Board of Governors
From: Steve Berberich, President and Chief Executive Officer
Date: November 7, 2018
Re: **CEO report**

This memorandum does not require Board action.

OVERALL SYSTEM CONDITIONS

Overall, system conditions have been stable and non-eventful. September, usually our peak month, had relatively mild temperatures and correspondingly mild loads. October was relatively quiet with very mild temperatures and none of the large fires that ravaged California this year threatened or impacted the Bulk Electric System. With this year's heavy loads behind us, the peak for the year was 46,424 MW on July 25, 2018.

On Sunday October 14 at 10:11 p.m., PG&E activated their Public Safety Power Shutoff due to Extreme Plus fire danger in numerous fire areas, interrupting 60,000 plus customers. All of the circuits de-energized were 60kV and below and the outages did not impact the transmission system. PG&E has been very good at alerting the ISO to fire risk-aversion outages that may impact the grid.

RELIABILITY COORDINATOR SERVICES

The ISO's reliability coordinator effort continues along four tracks:

- Track 1: Rate Design/Tariff/Agreements, etc.
This track is largely complete save for final orders from FERC.
- Track 2: Certification and Oversight
We are coordinating closely with WECC on the certification process and the oversight process has been agreed upon.
- Track 3: Onboarding/Readiness/Training
We have completed the readiness criteria and presented it to the working group for input and comment.

- Track 4: Technology and Software
We have completed all system requirements documents and are working with our software vendor to schedule deliveries.

2018 ISO SYMPOSIUM

This year's symposium focused on the technologies shaping the future of our industry – particularly electric vehicles and storage. With approximately 1,000 attendees, the networking opportunity provided as well as the ready access to both the ISO Board Governors and EIM Governing Body were welcome and timely in this time of great change. We appreciate all of those who attended and were kind enough to participate as speakers and panelists at this year's symposium. In addition, of course, a special thanks to the ISO staff who worked countless hours to create and execute such a large and complex event.

ENERGY IMBALANCE MARKET BENEFITS

The most recent EIM quarterly benefits were approximately \$100 million, by far our largest quarter since the start of the energy imbalance market in 2014. The quarter was so large because of very high energy prices across parts of the market in July and August, mostly as a result of unusually high gas prices and high loads.

RENEWABLE ENERGY PRODUCTION

No new renewable generation peaks have occurred since the last CEO report. The most recent solar peak of 10,739 MW occurred on June 29 at 12:33 p.m. The most recent wind generation peak of 5,193 MW was set on June 8, 2018 at 9:05 p.m. The renewable generation penetration peaks were recorded on May 26, 2018 at 2:28 p.m. of 73.9% of load served by all renewables and 64.6% served by wind and solar alone.