

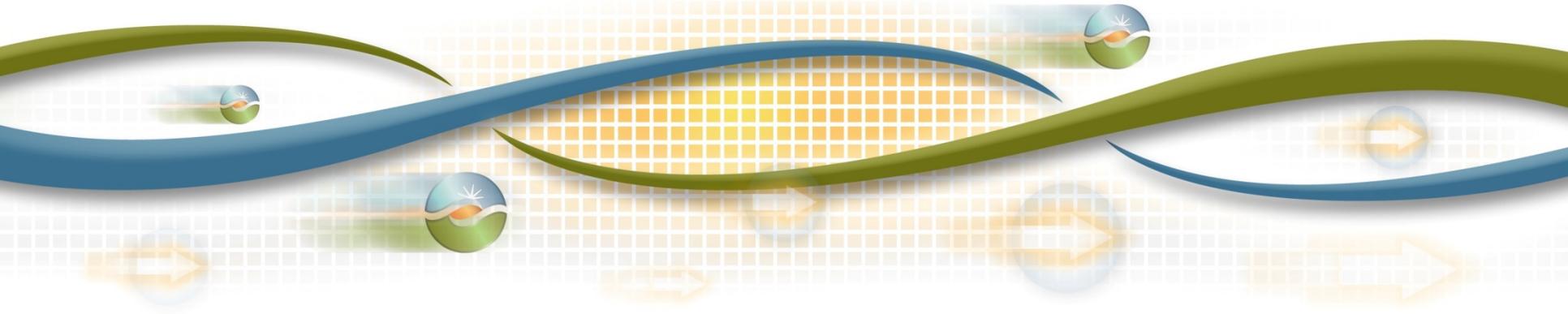


California ISO

ISO/RTO Panel Discussion on Winter Preparedness

Federal Energy Regulatory Commission

Brad Bouillon – Director, Regional Operations Initiatives
September 17, 2015



CAISO is completing its winter seasonal assessment

- All major paths have the same total transfer capability with no reduction over the winter
- Some CAISO load pockets are winter peaking:
Humboldt; Sierra
- Completion of transmission projects should increase flexibility and transfer capability on CAISO grid
- Drought conditions are not expected to result in local congestion issues because load should decrease from summer peak in areas of concern
- CAISO will need to actively monitor planned transmission maintenance outages

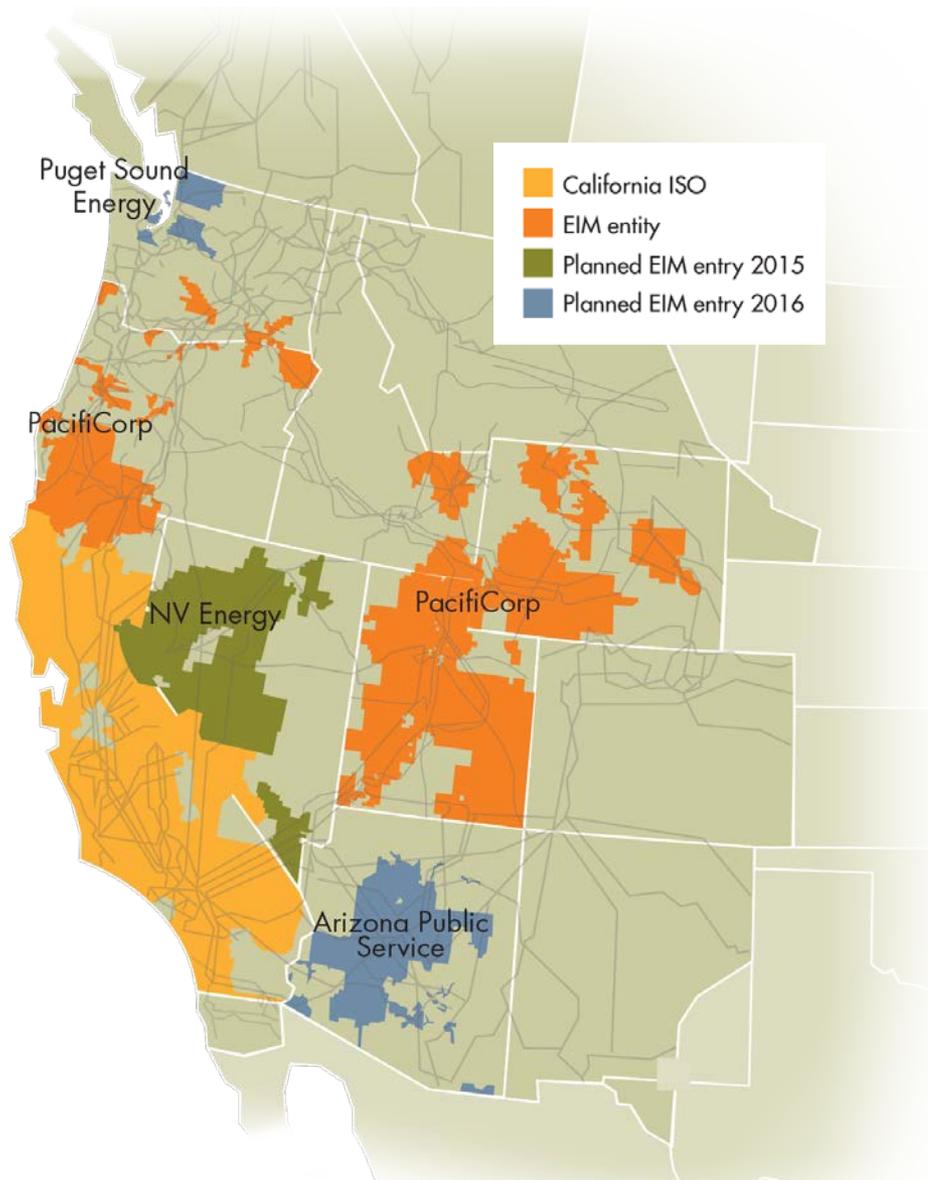
CAISO continues to enhance its procedures to coordinate operations with natural gas pipelines

- Providing intrastate gas pipelines burn forecast two days before and one day before operating day
- Increasing granularity of burn rate report reports to reflect operating zones
- Automating information regarding pipeline capacity constraints to monitor electric generation demand within a constrained gas zone

CAISO continues to examine market enhancements

- Bidding Rules stakeholder initiative is ongoing and will examine increasing bid flexibility to allow resources without a day-ahead schedule to rebid commitment costs in real-time
- Current offer cap and commitment cost bidding rules are reasonable mechanisms for winter 2015-2016
- Mechanism to address gas price spikes is in effect
- Initial analysis reflects that existing CAISO rules are generally sufficient to cover upward volatility in daily gas spot market

NV Energy plans to join EIM on November 1



- EIM operation with PacifiCorp already enhances situational awareness
- NV Energy on schedule to start in November 2015
- Puget Sound Energy and Arizona Public Service scheduled to begin participation October 2016