

California Energy Action Plan

**Summer 2005 Supply-Demand Update
and Comments from
Energy Commission Workshop**

**Joint Agency Meeting
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California Energy Action Plan

2005 Detailed Monthly Outlook CA ISO Northern Region (NP26)

Line		<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
1	Existing Generation	25,883	25,086	25,661	25,661
2	Retirements (Known)				
3	Retirements (High Risk)	-1,046			
4	High Probability CA Additions	249	575		
5	Forced Outages	-1,600	-1,600	-1,600	-1,600
6	Zonal Transmission Limitation ¹	0	0	0	0
7	Net Interchange ²	2,400	2,400	2,400	2,400
8	Total Supply (MW)	25,886	26,461	26,461	26,461
9	1-in-2 Summer Temperature Demand (Normal)	20,839	21,289	21,003	20,233
10	Projected Resource Margin (1-in-2)*	27.4%	27.4%	29.3%	34.9%
11	1-in-10 Summer Temperature Demand (Hot)	22,230	22,710	22,405	21,584
12	Projected Resource Margin (1-in-10)*	18.4%	18.5%	20.3%	25.4%
13	MW needed to meet 7.0% Reserve in NP26	0	0	0	0
14	Surplus MW above 7.0% Reserve in NP26	2,267	2,329	2,655	3,534

¹ Values provided by CA ISO.

² 2004 estimates based on CA ISO provided levels of NW and SMUD interchange values during June-July 2004 and assuming flows are S-N on Path 26.

* Does not reflect uncertainty for "Net Interchange" or "Forced Outages" which can result in significant variation in Resource Margin. Calculated as ((Supply - Imports with own reserves)/(Demand - Imports with own reserves))-1

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2005 Detailed Monthly Outlook CA ISO Southern Region (SP26)

Line	June	July	August	September
1 Existing Generation ¹	20,086	20,371	20,851	20,980
2 Retirements (Known)	-530			
3 Retirements (High Risk)	-146			
4 High Probability CA Additions	961	480	129	1
5 Forced Outages	-1,200	-1,200	-1,200	-1,200
6 Zonal Transmission Limitation ²	-800	-800	-800	-800
7 Net Interchange ³	9,903	9,903	9,903	9,903
8 Total Supply (MW)	28,274	28,754	28,883	28,884
9 1-in-2 Summer Temperature Demand (Normal)	24,782	26,275	26,691	27,001
10 Projected Resource Margin (1-in-2)*	18.5%	12.2%	10.5%	8.9%
11 1-in-10 Summer Temperature Demand (Hot)	26,667	28,273	28,721	29,054
12 Projected Resource Margin (1-in-10)*	7.7%	2.1%	0.7%	-0.7%
13 MW needed/(Excess) to meet 7.0% Reserve in SP26	0	1,085	1,435	1,791
14 Surplus MW above 7.0% Reserve in SP26	153	0	0	0

¹ Dependable capacity by station includes 1,080 MW of stations located South of Miguel

² Values provided by CA ISO.

³ 2004 CA ISO estimates **DC imports of 1,500 MW**, Path 26 2,700 MW, **SW imports 2,500 MW**, Dynamic 1,003 MW and CEC estimate of **LADWP imports of 1,000 MW**. 2005 estimate increases **DC transfer capability by 500 MW**, Path 26 by 300 MW and **North of Miguel by 400 MW**. Imports supplying own reserves are in bold text.

* Does not reflect uncertainty for "Net Interchange" or "Forced Outages" which can result in significant variation in Resource Margin. Calculated as ((Supply - **Imports with own reserves**)/(Demand - **Imports with own reserves**))-1

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Changes Since December 7th Outlook Northern Region (NP26)

- Existing Generation
 - Moved Redding, Roseville and WAPA resources to SMUD
 - Updated dependable capacity
- Additions
 - Accelerated Fresno Cogen to June and Metcalf to July
- Interchange
 - Increased export to SMUD by 100 MW
- Demand
 - Moved Redding, Roseville and WAPA resources to SMUD

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Changes Since December 7th Outlook Southern Region (SP26)

- Generation:
 - Updated capacity based on utility input
- Retirements:
 - Long Beach moved from high risk to known
- Additions:
 - Added Magnolia and SCE mothball contracts in June
 - Accelerated Pastoria 2; Delayed Malburg
- Demand
 - Increased 1-in-10 from 5.8% to 7.6% over 1-in-2

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Comments from March 21, 2005 Workshop

- ISO Staff
 - General agreement with CEC's load forecast for ISO control area, and Northern and Southern regions.
 - Agreement with CEC's resource margins and available capacity.
 - ISO's Summer Assessment will be presented to their Board on March 31.
 - Recommend focusing on Summer 2006.

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Comments from March 21, 2005 Workshop

- PG&E
 - PG&E 2005 outlook comparable to CEC's.
 - Minor adjustments to hydro resources may be needed.
 - Historical forecasts within 3.5% of actual observed
 - Resource margin tables should include interruptible and demand response programs as viable resources.

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Comments from March 21, 2005 Workshop

- LADWP
 - LADWP has adequate generation to meet 2005 Peak Demand.
 - Minor adjustments to CEC resources may be needed.
 - Historical forecasts very close to actual observed.
 - Will make excess power available to California after own load obligations (250 firm, add. 500 potential).

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Comments from March 21, 2005 Workshop

- SDG&E
 - Agree with CEC on Demand forecast and methodology
 - Their historical demand forecasts have generally been within 4% of actual loads (excluding 2000-2001).
 - Resource margin tables should include interruptible and demand response programs as viable resources.

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Comments from March 21, 2005 Workshop

- SCE
 - CEC's 1-in-10 demand should be adjusted to account for probability of hot days occurring on weekends.
 - SCE's demand forecasts have generally been within 4% of actual loads (excluding 2000-2001).
 - Additional resource needs will raise rates and should be shared by all SP26 LSE's.
 - Resource margin tables should include interruptible and demand response programs.

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Comments from March 21, 2005 Workshop

- CPUC Staff
 - IOU's were directed to attain additional MW from price- triggered Demand Response programs for 2005
 - IOU's monthly Demand Response reports estimate higher (540MW) DR potential.
 - Interruptible programs are considered reliable resources given their track record.

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Comments from March 21, 2005 Workshop

- TURN
 - Planning reserve does not include adverse scenarios in CEC's projected operating reserve.
 - Securing resources to meet additional contingencies will increase rates
 - Resource margin tables should include interruptible and demand response programs as viable resources.
 - With DR & Interruptibles, 2005 supply can meet all firm load in the event of a 1-in-10 hot peak.