From: Peevey, Michael R.

Sent: 6/17/2010 9:15:27 AM

To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7); bruce.foster@sce.com (bruce.foster@sce.com); Skopec, Dan (DSkopec@semprautilities.com)

Cc:

Bcc:

Subject: RE: FYI

From: Mansour, Yakout [mailto:YMansour@caiso.com] Sent: Wed 6/16/2010 4:48 PM To: Peevey, Michael R. Subject: RE: LawrenceLL/IBM/UC

Thank you Mike. I

reviewed the material you gave me carefully and will listen to their presentation. From what I see from the material, they really want to build a super computing facility and have the energy sector needs to support it (\$300M). The problem is overly exaggerated, they claim that we need to simulate 30 years hourly model with over 30 million participants representing all the smart meters, EV's, roof tops, ..etc. for accurate modeling and also stating that we (the ISO) need to simulate 30 years and it takes six months to run. I have no idea where they got that needs from and am digging in my organization to find out whether it was a misrepresentation or misinterpretation. Having said that, they also state that it will take them 5 years from the green light time to build the centre and then start working on the modeling and simulation. As you know we are about a month from finalizing the refined phase of the 20% RPS implementation study and are extrapolating what we need to know about the 33% for policy guiding and making by all of us. The type of simulation they building the case around is about six orders of magnitude bigger than what we need to plan and operate. Again, until I meet with them, I wouldn't suggest to other entities whether they support or not but certainly the ISO would watch at best. Frankly, if there is that kind of money to be spent, a computer centre is not the best use for it and I would rather full heartedly support your original energy research institute if you can steer it that way. I will let you know further after I meet and listen to them.

From: Peevey, Michael R.

[mailto:michael.peevey@cpuc.ca.gov] Sent: Monday, June 14, 2010 3:59 PM To: Mansour, Yakout Subject: LawrenceLL/IBM/UC

Bruce Darling, ExVicePres of UC system will be calling you about materials I gave you last week (at lunch). I support the program outlined to use HPC and will work on funding. ISO funds too?