

From: Cherry, Brian K
Sent: 3/8/2014 7:07:43 AM
To: Michel Peter Florio (MichelPeter.Florio@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fwd: Flex Alert Program

Mike - thought you might be interested.

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Begin forwarded message:

From: "Lemler, Gregg (ET)" <GLL1@pge.com>
Date: March 7, 2014 at 11:49:52 PM PST
To: Officers - All <AllPGEOfficers@exchange.pge.com>
Subject: Flex Alert Program

Team,

As many of you know, on Thursday, February 6, extreme weather conditions throughout much of the United States and Canada led to a gas supply issue that impacted and ultimately reduced electric generation in much of southern California. As a result, a Flex Alert—which was elevated to a Warning—was issued by the CAISO aBalancing Authority. To ensure that the peak system load in this area would be served, PG&E's Base Interruptible Program (BIP)—an incentive program which pays participating commercial, industrial, or agricultural customers to reduce the load within their facilities—was proactively launched. With just 30 minutes of advanced notice, PG&E's BIP customers performed as expected providing approximately 180 MW of sustained load reduction

between 3:15 p.m. to 7:15 p.m.

Since the BIP is typically associated with reducing peak loads to maintain system stability during the summer months, we have received several questions about how an incident that occurred in southern California in February could impact our customers. We want to take this opportunity to explain the Flex Alert program and the different levels of Electrical Emergencies.

The CAISO operates the Balancing Authority utilizing reserve sharing methodology which allows them to share reserves between participating utilities. Based on this reserve sharing methodology, the Balancing Authority activated the BIP program in our service area in order to support the southern California area. In these instances, PG&E is under the direction of CAISO with regards to system emergency declarations; and we execute our emergency plan accordingly. As a result, a Flex Alert was issued throughout California. When a Flex Alert is issued, consumers are advised to curtail their use of electricity on the dates and times specified by the emergency alert. Flex Alerts play a key role in the industry mitigation plan developed to minimize the risk of local reliability issues that typically occur during the summer months.

To give you a better understanding of the different stages of an Electrical Emergency, [this document](#) provides a high-level overview of the CAISO Alerts, Warning, and Emergency programs. Please review and share with your teams as you see fit, and don't hesitate to contact us if you have any questions.

Be safe,

Gregg Lemler

Steve Malnight