



OFFICE OF THE GOVERNOR

August 17, 2020

Marybel Batjer
President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Stephen Berberich
President and Chief Executive Officer
California ISO
P.O. Box 639014
Folsom, CA 95630

David Hochschild
Chair
California Energy Commission
1516 Ninth Street, MS-32
Sacramento, CA 95814

Dear Ms. Batjer, Mr. Berberich, and Mr. Hochschild,

I write today to express my deep concern about the broadscale de-energizations experienced by too many Californians on August 14 and 15th. These blackouts, which occurred without prior warning or enough time for preparation, are unacceptable and unbefitting of the nation's largest and most innovative state.

California residents, who are battling challenging conditions of a heat wave combined with a global pandemic in which we have encouraged people to



stay at home as much as possible, were forced to fend without electrical power -- a basic necessity. Residents, communities and other governmental organizations did not receive sufficient warning that these de-energizations could occur. In fact, I was not informed until moments before the blackouts started. Grid operators were caught flat footed, unable to avert disruptive blackouts and to adequately warn the public.

Collectively, energy regulators failed to anticipate this event and to take necessary actions to ensure reliable power to Californians. This cannot stand. California residents and businesses deserve better from their government. The failure to predict these shortages is unacceptable particularly given our state's work to combat climate change.

The California Independent System Operator (CAISO), the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) must do more to ensure reliable service and to safeguard California's energy future. More must be done to prevent outages and when they are unavoidable, CAISO must do more to warn residents about the possibility of blackouts.

I would like to better understand the causes of the supply deficiencies, why timely warnings were not provided and potential actions that can be taken in the coming days to minimize de-energization. Specifically, I request the following:

- Updated forecasts of energy demand for the coming days and any projected gaps between supply and demand.
- Actions the state can immediately take to increase resources available to fully serve California through the duration of the current weather event. As we discussed in our meeting this afternoon, I know we are already working with investor owned utilities, publicly owned utilities, community choice aggregators, major energy consumers and others on efforts to increase conservation, available supply and to shift use to non-peak hours. We are also working on actions the state can take to reduce its own energy consumption during peak hours. Additional actions to complement those we have already identified would be helpful.
- Immediate efforts to amplify and target Flex Your Power Campaign to emphasize the importance of actions of individuals and

businesses over the next few days. By altering the timing of use of electric appliances, and setting thermostats in homes and businesses higher than normal in the morning and lower than normal in the late afternoon and early evening, Californians can contribute to the solution over the next few days. As we have discussed, we are working with the Legislature, local government officials, business and labor leaders, newspaper publishers and others to increase energy conservation this week.

- A deeper dive into the root causes of how this happened and what more California must do to ensure that we do not leave our residents and our businesses exposed to this type of vulnerability in our power grid going forward.

Our immediate focus must be on reducing disruption and increasing reliability in the coming days. However, the unexpected events over the last two days require a comprehensive review of existing forecasting methodologies and resource adequacy requirements. Specifically, the following actions are necessary:

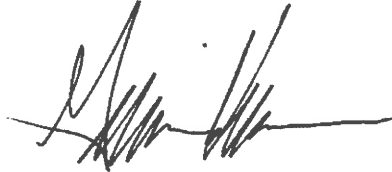
- The CEC must review its forecast to ensure they reflect the impact of climate change and resulting likelihood of more frequent and longer extreme heat events.
- The CAISO must review its assumptions regarding solar power and other sources of energy to ensure its assumptions of available capacity are accurate.
- The CPUC must review its resource adequacy requirements, existing procurement plans and demand response programs to ensure they provide the needed foundation for reliable power.
- Collectively, energy regulators must examine the mix of imports and in state generation, as well as any needed improvements to requirements relating to imports to ensure these resources are available to the state when needed.

Energy service shutoffs are simply too disruptive and we must do more to prevent them in the future. I request the CAISO to complete an after-action report to identify root causes of these events. It is critical that state energy agencies – CAISO, the Public Utilities Commission, and the California Energy Commission—examine longer-term actions for more accurate forecasting and to provide certainty of resource availability. This week's events demonstrate the

state must do more and faster to prevent future outages as we continue to work to transform energy generation in our state to achieve our necessary goals to combat climate change.

I look forward to your prompt response and expanded efforts to support reliable energy service in our state now and into the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gavin Newsom', with a horizontal line extending to the right.

Gavin Newsom
Governor of California