

## **POWER SALES FACT SHEET**

### **FORECASTS**

- The three Investor Owned Utilities (IOUs) provide the California Energy Resources Scheduling division of DWR with a forecast of their daily net short requirements, on a daily basis that is updated throughout the day.
- DWR relies on this forecast to determine the amount of power to purchase and/or sell for any given day.
- As the forecast information for the current day is updated, this may lead to adjusting or balancing supply in the California Independent System Operator (Cal ISO) hour-ahead market through additional purchases or sales. This is a result of forecast changes (temperatures and generation resources may vary from forecast to forecast), and DWR may be forced to either buy or sell power to match supply with demand.

### **BALANCING DWR POWER SUPPLY SCHEDULE**

- All energy procured under the long-term contracts, and in the day-ahead market, is scheduled in the Cal ISO day-ahead market in accordance with the Cal ISO scheduling rules and guidelines.
- All transactions entered into by CERS are scheduled with the IOUs as balanced schedules in the Cal ISO scheduling interface.

### **BALANCING CALIFORNIA'S ELECTRICAL GRID**

- All real time activity for both purchases and sales are at the direction of the Cal ISO. Real time activity requested by the Cal ISO is to balance the Cal ISO control area and not to balance power purchased by CERS.
- These transactions are conducted in the real time market to ensure reliability to the grid, and they are made entirely at the request of Cal ISO.
- There are various factors that will cause the Cal ISO to request CERS to purchase and/or sell. These include, but are not limited to; uninstructed generation deviations, congestion and load forecast changes.

## **LONG TERM CONTRACTS & POWER SALES**

- It is a false assumption that power sold is power secured through a long-term contract.
- Currently, on any given day, long-term contract energy accounts for approximately one-third to one-half of the daily energy needs provided by DWR.
- Another one-third to one-half is acquired through short-term contracts. Short-term contracts are 90-day, monthly, balance of the month or weekly purchase agreements.
- The remainder of the power is purchased on the day-ahead, hour-ahead and real time markets.
- The CERS division of DWR has never bypassed purchasing power on the day-ahead or hour-ahead market. Based on that fact, it's clear that the Department enters the spot market with less power than projected demand.

**[CLICK HERE](#) for a Visual Interpretation of Market Supply, and Power Purchases and Sales Made on a Long Term, Short Term, Day Ahead and Spot Market Basis.**

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