

It was hot this week. But were California officials 'crying wolf' with alerts that drove up electricity prices?

The screenshot shows a tweet from Flex Alert (@flexalert) with a 'Follow' button. The tweet text is: '#FlexAlert is in effect 2-9 p.m. today, 6/21 - #ConserveEnergy' followed by a Spanish translation: 'Una FlexAlert está en efecto. Favor de reducir el consumo de energía 2-9 p.m.'. Below the tweet is a Bing translation of the Spanish text and a graphic that reads 'A Flex Alert has been issued' with instructions: 'Adjust A/C up to 78° +', 'Use appliances after 9pm', and 'Turn off unneeded lights'. The graphic also includes the Flex Alert logo and the website FLEXALERT.ORG.

That was the urgent message this week from the state's electric grid operator

Was the state electricity grid operator 'crying wolf' when it issued a flex alert?



By **Ivan Penn**

JUNE 23, 2017, 4:00 PM

As record-setting temperatures surged into the triple digits in parts of California this week, the manager of the state's electrical grid put out an urgent plea: Turn down the AC and conserve power to avoid rotating outages.

The two-day flex alert by the California Independent System Operator drew headlines from dozens of media outlets across the state and country. It also sent electricity prices on the wholesale market soaring four to five times for residential utility customers.

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There was no statewide shortage of electricity — not even close, according to a Times analysis of federal and state energy data.

Even as the mercury climbed, consumers used 44,184 megawatts Tuesday — 3,656 fewer than the forecast. But the system can generate about 71,000 megawatts, which means there was 38% unused capacity. That's well above the 15% reserve required by the state for emergencies.

Some energy experts said the flex alert was unnecessarily alarmist.

“The notion that the sky is falling is a little bewildering to us,” said Robert McCullough, of Oregon-based McCullough Research, who works as a consultant for power companies.

“There's no question that flex alerts will attract people's attention,” he said. But with actual usage at times falling as much as 10% below Cal-ISO's forecast, he said someone failed to seriously analyze the data. “I would hate to report into the utility executive with that information. This would be a career-ending moment.”

Robert Freehling, an energy policy consultant who has done work for the Sacramento Municipal Utility District and the Imperial Irrigation District, also questioned the grid operator's computer models and analyses.

“There's been a very heavy overestimation of demand,” he said, noting that the statewide flex alert “certainly raised eyebrows.”

Even the utility companies said that the increased demand caused by rising temperatures had not created an energy shortage.

“We're looking at normal operations,” Robert Laffoon-Villegas, a spokesman for Southern California Edison Co., said as he gave his company's report during a media call Tuesday.

Pacific Gas & Electric Co. was hit the hardest with some 377,000 customers in the San Francisco Bay Area out of power at some point through Thursday, said Lynsey Paulo, a spokeswoman for PG&E. By Thursday afternoon, power outages had been reduced to typical daily levels, she said.

But the source of the outage wasn't consumers draining the power supply nor a lack of power plants.

“This is not an energy supply issue at all,” Paulo said. “Transformer failure has been the No. 1 cause for heat-related failure for us.”

No one questions PG&E's transformer troubles in the Bay Area, but critics said the problem was localized and didn't require the statewide alert.

Cal-ISO says it's complicated. Spokeswoman Anne Gonzales defended the grid operator's decision to call the first flex alert of the year.

She said the western heat wave is being described as the worst in 11 years. Cal-ISO must consider not only the heat itself but also the potential for wildfires to disrupt the electrical grid at the same time some power plants might be offline, she said.

“We plan for the peaks and worst-case scenarios during a heat wave, knowing that one wildfire can make all the difference in transmission,” Gonzales said.

The flex alert, Gonzales said, is one way to help ensure adequate supply. It is simply asking consumers to help prevent strain on the system and avoid potential problems.

“We call flex alerts after consideration to all impacts, including cost, economy, health and safety, and overall reliability,” Gonzales said.

When a flex alert is issued, consumers are asked to voluntarily cut back electricity use during peak hours, typically between 2 p.m. and 9 p.m.

Although Edison reported typical operations, it did take some added precautions — such as canceling or reducing maintenance outages of its distribution equipment. And Edison crews were working to restore service to customers affected by wildfires, Villegas said.

Cal-ISO acknowledged during the media call Tuesday that this heat wave did not require the heightened measures developed last summer in response to concerns about energy shortages in Southern California.

The Los Angeles area is on guard as it moves through its second summer without the troubled Aliso Canyon natural gas storage plant, the largest holding facility for the fuel in the state.

The storage plant, operated by Southern California Gas Co., was taken offline after one of the company’s 115 wells leaked, forcing thousands of residents in nearby Porter Ranch from their homes. The utility sealed the leak and closed the well in February 2016, but it can’t replenish natural gas supplies in the storage facility until it is deemed safe.

Without Aliso Canyon, utilities, regulators and Cal-ISO worry that if a lengthy heat wave engulfs the region, there won’t be enough fuel to power lights and air conditioners or to keep gas pilot lights lit.

The utility industry warned of up to 14 days of blackouts last summer without Aliso Canyon — a prediction that never materialized.

To McCullough and others, Cal-ISO’s warnings this week amount to an expensive miscalculation.

On Tuesday, for example, electricity prices shot from the typical \$50 per megawatt-hour to \$200 to \$300 per megawatt-hour as the wholesale market reacted to news of anticipated increased demand. Some of that difference will ultimately be passed on to consumers.

“This is akin to crying wolf,” McCullough said. “I don’t see any emergency.”

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UPDATES:

8:50 a.m.: This article was updated to provide additional details about Southern California Edison's preventative measures.

This article was originally published at 4 p.m. on June 23

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