



BALANCING AUTHORITY OF NORTHERN CALIFORNIA

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September 7, 2022

The Honorable Jennifer Granholm
Secretary of Energy
United States Department of Energy
1000 Independence Ave, SW
Washington DC 20585

RE: Request for Extension and Limited Amendment of Emergency Order Pursuant to Section 202(c) of the Federal Power Act

Dear Secretary Granholm:

Pursuant to Section 202(c) of the Federal Power Act (FPA),¹ and the Department of Energy (DOE) Administrative Procedures and Sanctions,² the Balancing Authority of Northern California (BANC)³ requests an Extension and Limited Amendment of Order No. 202-22-2 (Order), to provide the continued ability of certain generation within the BANC's balancing authority area, as identified in the Order, to operate in support of emergency operations of the bulk power grid in California.

Extension of Order

BANC hereby requests an extension of the Order until 2359 hours Sunday as outlined below. An emergency order will allow the BANC Balancing Authority Area (BAA) to request the dispatch of generation within the BANC BAA, specifically set forth and described herein, that may be necessary for the BANC to meet demand in the face of extreme heat.

As noted in the Order:

¹ 16 U.S.C. § 824a(c).

² 10 C.F.R. Part 205, Subpart W.

³ BANC is a joint powers authority established pursuant to Section 6500 *et seq.* of the California Government Code. BANC operates as a public agency and is governed by the BANC Commission, currently made up of an executive representative from each of its members. BANC's members include the Cities of Redding, Roseville, and Shasta Lake, the Modesto Irrigation District, the Sacramento Municipal Utility District, and the Trinity Public Utilities District. While the Western Area Power Administration is not a formal member of BANC, WAPA operates within the BANC Balancing Authority Area and participates in BANC processes and projects through contracts. BANC is a registered Balancing Authority with the North American Electric Reliability Corporation and operates as a neighboring BAA to the CAISO BAA.

A J O I N T P O W E R S A U T H O R I T Y B E T W E E N

Modesto Irrigation District, City of Redding, City of Roseville, Sacramento Municipal Utility District,
City of Shasta Lake, and Trinity Public Utilities District

W W W . T H E B A N C . O R G

California has experienced several periods of extreme heat, drought conditions, and threat of wildfires. Such conditions are expected to occur over the next several days and threaten the reliable operation of the bulk electric power system in California. The loads from the forecasted heat wave over the next week are expected to push demand for electric energy by BANC members to at or over historical peaks and higher than normally expected planning targets for this time of year.

On August 31, 2022, California Governor Gavin Newsom issued a proclamation declaring a state of emergency regarding electricity from September 2 through September 7, 2022. In declaring a statutory emergency, the proclamation cited a number of factors and observations, including the following:

- A significant heat wave will bring temperatures “in excess of 100 degrees throughout the State and is forecast to bring record temperatures 10–20 degrees above normal throughout the State, exceeding 110 degrees in some areas (the “Extreme Heat Event”);
- The extreme heat will put a significant demand and strain on California’s energy grid and is forecast to be a “West-wide event” meaning that energy demand will be high across the region and “California will have limited ability to import energy from out-of-state;”
- The CAISO issued a Heat Bulletin forecasting high electric demand during the extreme heat event that will “stress the energy grid, with peak load for electricity projected to reach its highest level of the year, exceeding 48,000 megawatts on September 5, 2022;” and
- The CAISO is forecasting supply deficiencies of “over 3000 megawatts during the evening hours from September 4, 2022, through September 6, 2022” and advised that emergency interventions would allow energy customers to make contingency plans ahead of the Labor Day holiday weekend.⁴

The actual heat event has been more severe and record loads have been experienced. Also, it is ongoing. BANC established a new record peak of approximately 4943 MW on September 6, 2022. BANC entered into an EEA-2 as of 1330 hours that same day. During this period BANC had forced outages of significant generation but was able to return units to service in approximately 90 minutes. It is believed that BANC members Roseville and Modesto exceeded their all-time peaks.

Across the system, it is believed that the Western Interconnection experienced its all-time peak of approximately 165,000 MW. The CAISO experienced its all-time peak of approximately 52,061 MW, surpassing its previous all-time peak of 50,270 experienced in 2006. The CAISO balancing authority area entered into an EEA-3 condition.

Extreme temperatures are anticipated to continue though most of the week. The temperature forecast for Sacramento is as follows:

Wednesday,	9/7/2022	108 F
Thursday,	9/8/2022	112 F
Friday,	9/9/2022	108 F

⁴ Order No. 202-22-2 at 1-2 (footnotes and citations omitted).

In addition, nighttime low temperatures continue to be 10-12 degrees above normal, allowing little time for equipment to cool.

As such, BANC is requesting that the effective date for the Order be extended through the weekend until Sunday, 9/11/2022, hour 2359. While some cooling is expected over the weekend, the system is coming off stressed conditions, and it is prudent to extend the Order for an additional period in case equipment failures are experienced after having run through this extremely hot period.

Limited Amendment to Order on Run Time Hours

The Order applied to a limited set of back up generation units identified as NTT Global Data Centers America, CA2. Further, the Order allowing operation of these units in circumstances not contemplated by the units' existing federal air permits was limited to the hours of 2 PM and 10 PM Pacific Time. Further, trigger of the Order was an EEA2 condition experienced in BANC or the CAISO.

The NTT Units were indeed dispatched pursuant to an EEA2 condition in the CAISO as experienced on September 5, 2022. During that real life dispatch case, it became apparent that additional flexibility for dispatch of the NTT Units would be very valuable. NTT has represented to BANC that it takes roughly two hours for CA2 to ramp and fully transition load. On September 5, 2022, the CAISO called an EEA2 roughly 30 minutes in advance of entering the EEA2 at 1830 hours, at which time NTT began responding to the EEA2 and turning on its units. Specifically, because of the time needed for the start-up routine of the units themselves and communication protocols of the EEA2 from one BAA to another, the NTT Units were only partially brought up through the most stressed peak period.

Therefore, BANC respectfully requests that the Order be modified to conform to the most recent emergency Executive Order, Emergency Proclamation issued by the California Governor on September 6, 2022, the intent of which that allows for dispatch of generation covered under that Emergency Proclamation under all hours in which any EEA conditions exist. A copy of that Emergency Proclamation is attached hereto, as well as supporting materials explaining the intended legal impact of the Emergency Proclamation.

All statements with respect to BANC's practices, mitigation measures, and collaboration with state agencies and the CAISO are as stated in our Original and Amended, Supplemented, and Clarified Requests. All commitments to support analysis of any environmental impacts and the associated costs of such analysis remain as articulated by BANC and contained in the Order.

BANC greatly appreciates DOE's expedited consideration of this request. Please do not hesitate to contact the undersigned if you have any questions or require additional information in order to act on this request.

Respectfully submitted,



James R. Shetler
General Manager
Balancing Authority of Northern California

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-15-22

WHEREAS on August 31, 2022, I proclaimed a State of Emergency to exist in California due to an Extreme Heat Event, and issued emergency orders effective through September 7, 2022; and

WHEREAS the Extreme Heat Event is now forecasted to last through Friday, September 9, 2022, and will continue bringing dangerous and record-setting heat and temperatures to California; and

WHEREAS the Extreme Heat Event continues to place significant demand and strain on California's energy grid, with a load forecast of 51,276 megawatts on September 6, 2022, which would set a new record from the previous high of 50,270 megawatts on July 24, 2006; and

WHEREAS on September 5, 2022, the California Independent System Operator (CAISO) issued an Energy Emergency Alert 2 from 6:30 p.m. to 9:00 p.m. because of high loads and temperatures across the CAISO grid and a forecasted energy deficiency, with all available resources in use or forecasted to be in use, during those hours; and

WHEREAS recognizing the extraordinary need for energy conservation during this Extreme Heat Event, the Department of General Services took unprecedented measures on September 5, 2022, by placing dozens of state office buildings into a low-power state known as "warm shutdown" beginning at 5:00 p.m., and reduced lighting and air conditioning loads in certain state office buildings at that time; and

WHEREAS Californians have already taken extraordinary actions to conserve energy during the critical evening hours in response to Flex Alerts and other calls for conservation, saving approximately 1,000 megawatts of power when it was most needed on September 5, 2022; and

WHEREAS even greater conservation efforts from all sectors are needed to respond to the greater load forecast on September 6, 2022, and it is necessary to take further action to reduce the strain on California's energy grid and increase energy capacity during the Extreme Heat Event through September 9, 2022; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Order would prevent, hinder, or delay the mitigation of the effects of the Extreme Heat Event.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately.

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my August 31, 2022, Proclamation and the subsequent Executive Order N-14-22 remain in full force and effect, except as modified herein.

2. Paragraph 3 of my August 31, 2022, Proclamation is hereby withdrawn and superseded by the following:

From Wednesday, August 31, 2022, through Friday, September 9, 2022, inclusive, the provisions of Water Code section 13385, subd. (i)(1)(A) as they pertain to daily average and instantaneous temperature limitations in waste discharge requirements for thermal power plants are suspended for any thermal power plant that maintains operations to abate the effects of the Extreme Heat Event. Any exceedance of the daily average or instantaneous temperature limitations resulting from maintaining operations during this time shall not constitute a violation for purposes of calculating mandatory minimum penalties under Water Code section 13385, subd. (i).

3. Paragraph 4 of my August 31, 2022, Proclamation is hereby withdrawn and superseded by the following:

Permitting requirements or conditions of certification adopted by the Energy Commission pursuant to Public Resources Code, sections 25216.5, subd. (a) and 25500 et seq., as well as related permitting requirements adopted by local air quality management districts, that restrict the amount of power that a facility may generate, restrict the amount of fuel that a facility may use, or impose air quality requirements that prevent the facility from generating additional power during peak demand hours, from 2:00 p.m. to 10:00 p.m. on Wednesday, August 31, 2022, through Friday, September 9, 2022, inclusive, or as otherwise needed to respond to the Extreme Heat Event, are suspended.

4. Paragraph 7 of my August 31, 2022, Proclamation was superseded by paragraph 4 of Executive Order N-14-22. Paragraph 4 of Executive Order N-14-22 is hereby withdrawn and superseded by the following:

In regulations concerning the use of auxiliary engines by ocean-going vessels berthed in California ports, Saturday, September 3, 2022, at 12:01 a.m., through Friday, September 9, 2022, at 11:59 p.m., inclusive, shall be deemed an "emergency event" under CCR, title 17, section 93118.3, subd. (c)(14) as it pertains to ocean-going vessels equipped to operate on shore power.

5. Paragraph 8 of my August 31, 2022, Proclamation was superseded by paragraph 5 of Executive Order N-14-22. Paragraph 5 of Executive Order N-14-22 is hereby withdrawn and superseded by the following:

This Order shall be deemed to provide notice under CCR, title 17, section 93118.3, subd. (c)(14)(C) to reduce use of grid-based electrical power on Saturday, September 3, 2022, at 12:01 a.m., through Friday, September 9, 2022, at 11:59 p.m., inclusive, and notice under that same section that reduction is no longer necessary at 11:59 p.m. on Friday, September 9, 2022. Ocean-going vessels that are berthed at California ports between Saturday, September 3, 2022, at 12:01 a.m., and Friday, September 9, 2022, at 11:59 p.m., inclusive, shall not be required to use shore power until after 11:59 pm on Monday, September 12, 2022.

6. Paragraph 9 of my August 31, 2022, Proclamation is hereby withdrawn and superseded by the following:

An ocean-going vessel operating on auxiliary engines pursuant to an "emergency event" under Paragraph 4 of this Order shall be deemed to qualify for an exemption under CCR, title 17, section 93118.3, subd. (d)(1)(E)(1)(a), and any visit occurring during the period described in Paragraph 5 of this Order shall be counted towards compliance under CCR, title 17, section 93118.3, subd. (d)(1)(F)(1).

7. Paragraph 10 of my August 31, 2022, Proclamation is hereby withdrawn and superseded by the following:

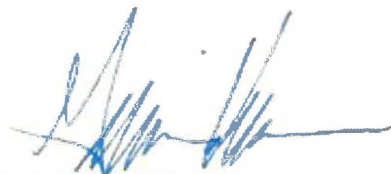
Any permit, regulation or law prohibiting, restricting or penalizing the use of stationary or portable generators or other conduct allowed by my August 31, 2022, Proclamation, or any subsequent executive orders issued with respect to the state of emergency proclaimed in that Proclamation, during the time periods allowed under the ordering paragraphs of the August 31, 2022, Proclamation or under subsequent executive orders, is suspended.

8. The provisions in paragraphs 2-3 and 6-10 of Executive Order N-14-22, and the provisions in this Order, shall expire at 11:59 p.m. on Friday, September 9, 2022, with the exception that, as provided in Paragraph 5 of this Order, ocean-going vessels that are berthed at California ports between Saturday, September 3, 2022, at 12:01 a.m., and Friday, September 9, 2022, at 11:59 p.m., inclusive, shall not be required to use shore power until after 11:59 pm on Monday, September 12, 2022.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 6th day of September 2022.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY WEBER, PH.D.
Secretary of State

Legal Waivers Currently In Place For The Extreme Heat Event Emergency

This heat wave is on track to be both the hottest and longest on record in California for September. We are heading into the worst part of the heat wave and there will be even more demand on the energy grid. **Action is needed today and through the week to conserve energy and bring more energy online to prevent outages.**

In response to the extreme heat event, Governor Newsom issued an [emergency proclamation](#) on Wednesday, August 31, 2022, to allow power plants to generate additional electricity, permit use of backup generators to reduce the amount of energy they need to draw from the grid, and allow ships in California ports to reduce their consumption of electricity from the grid. On Friday, September 2, 2022, Governor Newsom issued [Executive Order N-14-22](#) to provide additional flexibility to state agencies, energy users and utility operators in response to the severe heat wave impacting California and the western United States. And on Tuesday, September 6, 2022, Governor Newsom issued [Executive Order N-15-22](#) to extend the length of the emergency provisions through Friday, September 9, 2022.

The emergency proclamation and executive orders suspend various state and local regulations and permitting requirements. That is, the Governor's orders make those regulations and restrictions not in effect or enforceable in connection with actions taken to help relieve strain on the grid during this extreme heat event.

Specifically, the suspensions of legal requirements currently in effect **today, Wednesday, September 7, 2022**, under the emergency proclamation and executive order are:

Permission

Backup generators (“BUGs”) may be used at any time and in any location today (Wednesday, September 7)

- Restrictions and limits on the use of stationary and portable generators are **suspended**, and such generators may be used in any location at any time of day today

Reference

[Executive Order N-14-22](#), paragraphs 2-3

*Because the CAISO has issued an Energy Emergency Alert Watch

and Energy Emergency Alert 2 for today, these paragraphs are activated.

- California Public Utilities Commission restrictions on the use of backup generators (including restrictions on the use of backup generators in specific locations) and corresponding restrictions by California utilities, are **suspended** for non-residential customers participating in compensated demand response programs (Emergency Load Reduction Program, Base Interruptible Program, Agricultural & Pumping Interruptible Program)
- Compliance obligations and applicability thresholds under the California Air Resources Board's cap and trade program are **suspended** for cogeneration emissions from entities that are not fossil fuel generators.
- Any other permit, regulation, or law restricting or limiting the use of stationary or portable generators is **suspended**

[Executive Order N-14-22](#), paragraphs 6-7

[Executive Order N-14-22](#), paragraph 8

[Executive Order N-15-22](#), paragraph 7

Ships in California ports are not required to connect to shore power today (Wednesday, September 7)

- Ships berthed between 12:01 a.m. Saturday, Sept. 3, and 11:59 p.m. Friday, Sept. 9, should not connect to shore power.
- Any ship berthed before 11:59 p.m. on Friday, Sept. 9, and not connected to shore power, will not be required to use shore power until after 11:59 p.m. on Monday, Sept. 12
- Any other permit, regulation, or law restricting or limiting the use of engine power is **suspended**

[Executive Order N-15-22](#) paragraphs 4-6

[Executive Order N-15-22](#) paragraphs 4-6

[Executive Order N-15-22](#), paragraph 7

Power plants may operate above permitting conditions from 2:00 p.m. to 10:00 p.m. today (Wednesday, September 7)

- For thermal power plants, permitting requirements or conditions adopted by the California Energy Commission, and any related local air quality management district permits, that limit power generation or restrict fuel use, are **suspended** to enable additional power generation from 2:00 p.m. to 10:00 p.m.
- Water discharge temperature restrictions for thermal power plants are **suspended**
- Any other permit, regulation, or law restricting or limiting power plants' ability to generate additional power from 2:00 p.m. to 10:00 p.m. is **suspended**

[Executive Order N-15-22](#), paragraph 3

[Executive Order N-15-22](#), paragraph 2

[Executive Order N-15-22](#), paragraph 7