Media Release
Summer Assessment Highlights Texas Generation Shortfall, California Natural Gas Storage Constraint

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ATLANTA – NERC’s 2018 Summer Reliability Assessment finds that Texas has a generation shortfall due in part to 5,000 MW of generation retirements since last summer and that California is facing a limit on natural gas output due to Aliso Canyon storage facility constraints.

NERC conducts this assessment each season to provide a high-level view of resource adequacy and to identify issues that have the potential to impact bulk power system planning, development and system analysis over the summer months.

“The sizeable gap in generation resources for the 2018 Texas summer peak and the natural gas situation in California pose potential reliability concerns,” said Thomas Coleman, director of Reliability Assessments. “Effectively and efficiently addressing future reliability risks, whether they occur in the next year or in 10 years, requires NERC to continually build upon its analyses while enhancing collaboration with industry and government partners.”

While roughly 2,100 MW of additional generation is anticipated, it will not be available until after the 2018 summer. The Electric Reliability Council of Texas (ERCOT) plans to address a projected generation shortfall this summer by seeking voluntary load reductions from utilities if needed in order to maintain a reliable bulk power system.

The generation and potential reliability gap shows ERCOT’s projected 2018 summer reserve margin to be about 11 percent, nearly 3 percent below their recommended level and down roughly four percent from their 2017 summer projection.

The risk of load shedding caused by insufficient reserves in the ERCOT footprint would increase under extreme summer conditions, such as above-normal temperatures and higher-than-expected generation outages, the assessment finds.
NERC and the Western Electricity Coordinating Council have worked closely with the California Independent System Operator (CAISO) on the topic of natural gas output from the Aliso Canyon storage facility. The operational constraint at Aliso Canyon continues to affect the availability of natural gas for power plants in Southern California. Below-normal hydro generation projected this summer exacerbates this potential reliability concern.

In addition to the Aliso Canyon constraint, the need for fast-ramping gas generation and other flexible resources across California also presents a reliability challenge for the bulk power system during the 2018 summer because of the state’s high penetration of renewables.

“Grid operators in California and across North America are increasingly looking to fast-ramping gas units and other flexible generation capacity to keep the bulk power system reliable because the output from wind and solar, both utility-scale and behind-the-meter, can change frequently and sometimes unexpectedly,” Coleman said.

NERC assessments provide a high-level view of resource adequacy and identify emerging issues and trends that will influence future bulk power system planning, development and system analysis. NERC assessments also provide risk-informed recommendations and support a learning environment for industry and policymakers to pursue improved reliability performance.

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The vision for the Electric Reliability Organization (ERO) Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the eight Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.